

K# 8506

Operating Engineers Locals 302

Wage & Fringe Summary

2007-2010

Wages			
Group	June 1, 2007	June 1, 2008	June 1, 2009
IAAA	\$34.34	\$35.64	\$36.92
IAA	\$33.78	\$35.08	\$36.36
IA	\$33.21	\$34.51	\$35.79
I	\$32.66	\$33.96	\$35.24
II	\$32.17	\$33.47	\$34.75
III	\$31.75	\$33.05	\$34.33
IV	\$29.39	\$30.69	\$31.97

Deductions from Wages			
Group	June 1, 2007	June 1, 2008	June 1, 2009
Dues Check-off	2% GW	2% GW	2% GW
Union Programs	\$0.20	\$0.25	\$0.30
Political Programs(Voluntary)	\$0.05	\$0.05	\$0.05
GW=Gross Wages			

Fringe Benefits			
Group	June 1, 2007	June 1, 2008	June 1, 2009
Health & Security	\$6.75	\$7.15	\$7.55
Pension	\$5.40	\$6.15	\$6.90
Apprenticeship/Training	\$0.60	\$0.65	\$0.70
Total Fringe Benefit	\$12.75	\$13.95	\$15.15

June 1, 2007

2007 – 2010 AGREEMENT

Between

EMPLOYER NAME

and

OPERATING ENGINEERS LOCAL 302

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2007 – 2010 AGREEMENT

between

EMPLOYER NAME

and

OPERATING ENGINEERS LOCAL 302

PREAMBLE

This Agreement is a Collective Bargaining Agreement between the Employer listed on the cover sheet (hereinafter referred to as the "Employer") and Local 302 International Union of Operating Engineers.

This is a collective bargaining Agreement between Employer and Local 302 International Union of Operating Engineers, (hereinafter referred to as the "Union"), and shall constitute an Agreement between the parties hereto for the work, conditions and wage rates provided for herein in the territory outlined in Article 3.

ARTICLE 1

PURPOSES OF AGREEMENT

SECTION 1. The purposes of this Agreement is to promote the settlement of labor disagreements by conference, to prevent strikes and lockouts and to stabilize wages and working conditions in building, heavy highway construction and engineering work in the area affected.

SECTION 2. Bylaws of either party are not part of this Agreement. It is agreed and understood between the parties hereto that this Agreement contains all the covenants, stipulations and provisions agreed upon by the parties hereto. *No agent or representative of either party has authority to make any promise, inducement or agreement contrary to the provisions herein.*

SECTION 3. The Employer, having received a demand for recognition by the Union and having been presented with and accepting proof that the Union represents a majority of its employees, acknowledges and affirms that the Union is the sole and exclusive bargaining representative of its employees covered by the Principal Agreements under Section 9(a) of the National Labor Relations Act.

ARTICLE 2

WORK AFFECTED

SECTION 1. This Agreement shall cover all Highway, Building, Heavy Construction and Engineering projects including the loading and unloading of barges or other carriers of the Employer's materials and equipment at loading facilities for the contractor's work performed by Employer parties to this Agreement in the counties outlined in Article 3.

SECTION 2. For clarification, Heavy, Highway and Engineering projects are defined as follows: Construction of railroads, street railways, roads, highways, streets, alleys, sidewalks, curbs and gutters, paving (portland cement or asphaltic concrete), airports, bridges, overpasses, sewers, water mains, sanitation projects, irrigation projects, flood control projects, reclamation projects, reservoirs, dams, dikes, levees, revetments, channels, aqueducts, channel cutoffs, jetties, breakwaters, harbor developments, docks, dry docks, piers, abutments, retaining walls, transmission lines, duct lines, subways, shafts, tunnels, excavation of earth and rock, power generating projects, reinforced earthwork, and all other heavy construction and engineering operations in connection therewith, and all site clearing, demolition work, hazmat, pipeline and refinery work when covered by this Agreement.

SECTION 3. For further clarification, the term "Building" shall mean a building structure, including modifications thereof, or additions or repairs thereto, intended for use for shelter, protection, and comfort.

ARTICLE 3

TERRITORY OF AGREEMENT

This Agreement shall cover all work (as outlined in Article 2) performed by Employers, parties to this Agreement in the following counties: Clallum, Jefferson, Mason, Grays Harbor, Kitsap, Island, San Juan, King, Snohomish, Skagit, Whatcom, Kittitas, and that portion of Okanogan, Chelan, Douglas, and Yakima lying west of the 120th Meridian in the State of Washington.

ARTICLE 4

EFFECTIVE DATE AND DURATION

SECTION 1. This Agreement shall be effective commencing, June 1, 2007, and shall continue in force and effect through May 31, 2010. Upon its expiration, this Agreement shall continue from year to year, June 1 through May 31 of each year, by automatic renewal unless changed or terminated. For the purpose of negotiating alterations in wages and other terms and conditions of employment, the Employer, or Local 302 may open this Agreement or any contract effectuated through automatic renewal by giving written "Notice of Opening" not later than sixty (60) nor more than ninety (90) days prior to the expiration date. "Notice of Opening" is in no way intended by the parties as a termination of nor shall it in anyway be construed as a termination of this Agreement or any annual contract effectuated through automatic renewal nor as forestalling automatic renewal as herein provided. The parties reserve the right to economic recourse in negotiations, except during the interval between the giving of "Notice of Opening" and the expiration date.

SECTION 2. Except by mutual written agreement, termination of this Agreement or any annual contract effectuated through automatic renewal, must to the exclusion of all other methods, be perfected by giving written "Notice of Termination" not later than sixty (60) not more than ninety (90) days prior to the expiration date, whereupon the contract shall, on its expiration date, terminate. Effective termination eliminates automatic renewal.

SECTION 3. Any "Notice of Opening" or "Notice of Termination" given in hand within sixty (60) days of any expiration date shall be absolutely null and void and completely ineffective for all purposes.

ARTICLE 5

UNION RECOGNITION AND HIRING PROCEDURES

SECTION 1. Hiring practices and maintenance of Union membership shall be under the Appendix "3" attached hereto and hereby made a part of this Agreement.

SECTION 2. There will be no discrimination against any employee because of past or present union activities or because of race, creed, sex, age or color.

SECTION 3. Wherever words denoting a specific gender are used in this Agreement, they are intended and shall be construed so as to apply equally to either gender.

ARTICLE 6

SUBCONTRACTORS

SECTION 1. If an Employer bound by this Agreement contracts or subcontracts any work covered by this Agreement to be done at the job site for the construction, alteration or repair of a building structure or other work to any person or proprietor who is not signatory to this Agreement, the Employer shall require such subcontractor to be bound to all the provisions of this Agreement for the duration of his project only, or such employer shall maintain daily records of the subcontractors' employees' job site hours and be liable for payment of the difference of these employees' wages, Health & Security, Pension and Apprenticeship-Retraining contributions in accordance with this Agreement.

SECTION 2. Whenever the Employer is obligated to satisfy governmental subcontracting requirements, the Union and the Employer by mutual agreement may waive this provision, prior to commencement of the work in the event an Employer and Union are unable to find qualified competitive Union subcontractors to meet these requirements.

ARTICLE 7 **HOLIDAYS**

Holidays recognized by this Agreement shall be New Year's Day, Memorial Day (last Monday in May), Fourth of July, Labor Day, Thanksgiving Day, Friday and Saturday after Thanksgiving Day, and Christmas Day. Any holiday which falls on a Sunday shall be observed as a holiday on the following Monday. A holiday shall be a twenty-four (24) hour period, beginning with the regular starting time of the first shift on the date of the holiday and all single shift hours that fall on a holiday shall be paid at the holiday rate of pay. No work shall be performed on Labor Day except to protect life and property or by written mutual agreement of the Union and the Employer. If any of the listed holidays falls on a Saturday, the preceding Friday shall be a regular workday.

ARTICLE 8 **MEAL AND REST PERIODS**

SECTION 1. MEAL PERIODS

- A. Employees shall not be required to work more than five (5) hours from the start of the shift without at least a one-half (½) hour unpaid meal period. This meal period shall not begin earlier than three and one-half (3½) hours after the start of the shift.
- B. Late Meal: If employees are required to work past five (5) hours, they must be allowed a one-half (½) hour meal period which shall be paid at the applicable overtime rate and considered as time worked. The one-half hour meal period shall not be scheduled at the end of the shift
- C. Missed Meal: If not allowed a one-half (½) hour meal period, an additional one-half (1/2) hour for a total of one (1) hour at the applicable overtime rate shall be added to the hours worked.
- D. Meal Beyond Shift: Employees required to work more than two (2) hours after the end of the regular shift shall be allowed at least one-half (½) hour meal period which shall be considered as time worked, and if it is impractical for the employees to leave the job, they shall be provided a meal by the Employer.
- E. Missed Meal Beyond Shift: If not allowed a one-half (½) hour meal period, an additional one-half (1/2) hour for a total of one (1) hour at the applicable overtime rate shall be added to the hours worked.
- F. Meal - Ten Hour Shift: In the event that the Employer establishes a ten (10) hour shift, the above meal periods shall be at mid-shift. Employees' meal period may be staggered during the period of three and one-half (3½) to five (5) hours from the start of the shift to cover necessary work of a continuous nature.

SECTION 2. REST PERIODS

- A. The nature of the construction work covered by this agreement allows intermittent rest periods. Employers shall provide such intermittent rest periods as work flow permits, not to exceed to 10 minutes for each 4 hours worked. Scheduled rest periods are not required, nor allowed.
- B. Such intermittent rest periods shall be taken on the work site, at the employees place of work.

- C. It will be the responsibility of each employee to take such intermittent rest periods. If an employee does not take a rest period, then the employee must notify his supervisor and a rest period will be provided.

ARTICLE 9

PAY DAY

SECTION 1. Employees shall be paid in full once each week (on the same day), but in no event shall more than five (5) days' (Saturday, Sunday and holidays excluded) wages be withheld.

If the regular payday falls on a Holiday, the employees shall be paid on the last regular work day before the holiday.

The Employer will have the following options of making payment: negotiable check made on local bank, paid prior to quitting time at job site, direct deposit in the employee's bank account at election of employee, or by mail.

The Employer shall furnish to each employee at the time of payment of wages, an itemized statement showing the pay basis (i.e., hours or days worked), rate or rates of pay, gross wages, and all deductions for that pay period. In addition, the name, address and phone number of the Employer shall be indicated.

No adjustment of disputed pay will be made unless the employee or the Union shall make a claim in writing to the Employer's representative within fifteen (15) days from the pay period in question, or from the date of any pay adjustment.

SECTION 2: Employees, who quit, shall be paid not later than the next regular pay period.

SECTION 3. When employees are laid off or discharged, they shall be paid in full immediately. Employees laid off or discharged, who are paid by direct deposit in their bank account, shall be paid not later than the next regular business day. In the event that the employee is not paid immediately, he shall receive two (2) hours' pay at the appropriate hourly wage rate for each twenty-four (24) hour period for the first forty eight (48) hours. Thereafter, the employee will be paid four (4) hours pay at the appropriate hourly wage rate for each twenty-four (24) hour period until said check is mailed to an address of the employee's choice. The postmark on the envelope will serve as the cutoff for any penalty.

SECTION 4: If the payment is not made expressly as provided in this article, then the employee shall be paid two (2) hours pay at the appropriate hourly wage rate for each twenty-four (24) hour period for the first forty eight (48) hours (Saturday Sunday and holidays excepted) Thereafter, the employee will be paid Four (4) hours pay at the appropriate hourly wage rate for each twenty-four (24) hour period until payment is made. In the case of payment by mail, the postmark on the envelope will serve as the cutoff for any penalty.

ARTICLE 10

UNION REPRESENTATIVE

SECTION 1. The Union representatives shall have access to all places where employees covered by this agreement are employed provided they do not unduly interfere with the work of employees, and that they fully comply with the safety and security procedures established for the projects. On projects with restricted access, the Employer will cooperate with the Union officials in this regard as far as regulations permit.

SECTION 2. One or more working Stewards from among the members working on the job may be appointed by the Union to represent the members on the job. The Employer shall be informed in writing of the names of the appointed Stewards. Only such Stewards shall be accorded recognition by the Employer. The designated Union Representative shall be consulted by the Employer prior to a job Steward's termination or layoff. The job Steward shall normally discuss issues arising under this Agreement with the job supervisor and transmit to the Union

Representative all disputes emanating from the job. The job Steward(s) shall be among the last working members terminated provided they are qualified for the remaining work available on the job.

Although there shall be no non-working Stewards, it is recognized that the Steward has an important function in maintaining harmony and cooperation on the job.

ARTICLE 11 **SETTLEMENT OF DISPUTES/GRIEVANCES**

SECTION 1. In cases of violation, misunderstandings or differences in interpretation of this Agreement, there shall be no cessation or stoppage of work. Both parties pledge their immediate cooperation to eliminate the above mentioned possibilities, and the procedure in Section 2 is outlined for this purpose.

SECTION 2: In the event that a dispute arising on the job the following procedure will be followed to address the dispute:

Step One: In the event that a dispute arising on the job cannot be satisfactorily adjusted on the job between the representative of the Union involved and the Employer, the dispute shall promptly (not later than fifteen (15) working days), be referred to the authorized representative of the Union and the Employer or their authorized representative. Should they fail to effect a settlement, the matter shall proceed to Step Two. By mutual agreement Step Two may be waived.

Step Two: The dispute shall be referred to a Board of Conciliation within fifteen (15) working days. This Board shall consist of two (2) persons who have no direct involvement in the dispute, appointed by each party. If these four (4) persons cannot effect a settlement within seven (7) days after the dispute has been referred to them the matter shall proceed to Step Three.

Step Three: By mutual agreement, the issue may be referred to mediation. The parties shall request a mediator from the Federal Mediation & Conciliation Service or other mutually acceptable services. This person shall serve as the mediator to resolve the dispute. The expense of employing the mediator shall be borne equally by both parties and each party shall be responsible for their own attorney fees and costs. Should mediation be waived or the parties fail to reach agreement, the matter shall proceed to Step Four.

Step Four: The parties shall request a list of seven arbitrators from the Federal Mediation & Conciliation Service or other acceptable services and shall alternately strike names until only one name remains. This person shall serve as the arbitrator to resolve the dispute. The expense of employing the arbitrator shall be borne equally by both parties and each party shall be responsible for their own attorney fees and costs.

Any decision of the Board shall be within the scope and terms of this Agreement. It may also provide retroactivity not exceeding sixty (60) days from the date the grievance was filed and shall state the effective date. Decision by this Board shall be rendered within twenty (20) days, or at their discretion, after the dispute is referred to them, and such decision shall be final and binding upon all parties. By mutual agreement, the aforementioned time frames in this Article may be waived or extended.

ARTICLE 12 **SETTLEMENT OF JURISDICTIONAL DISPUTES**

SECTION 1. There will be no strikes, no work stoppages or slowdowns or other interference with the work because of jurisdictional disputes.

SECTION 2. The Employer shall be responsible for all jurisdictional assignments. In issuing such assignments, the Employer shall be guided by decisions of record and/or jurisdictional

agreements of record. Craft jurisdiction is neither determined nor awarded by classifications appearing in any labor agreement. All jurisdictional disputes shall, subject to Section 3 of this Article, be adjudicated in accordance with the current Plan for the Settlement of Jurisdictional Disputes.

SECTION 3. Where a jurisdictional dispute involves any Union or Employer not a party to the procedures established by the Impartial Jurisdictional Disputes Board and is not resolved between the Unions, it shall be referred for resolution to the International Unions, with which the disputing Unions are affiliated. The resolution of the disputes shall be reduced to writing signed by representatives of the International Unions, and the Employer will abide by the resolution. The disputed work shall continue as assigned by the Employer until the dispute has been resolved. The provisions of Section 1 apply to disputes covered by this paragraph.

ARTICLE 13

STRIKES AND PICKET LINES

SECTION 1. It is mutually agreed that there shall be no strikes, lockouts or other slow down or cessation of work by either party on account of any labor difference pending the utilization of the grievance machinery, as set forth in Article 11.

SECTION 2. Employees shall not be discharged, disciplined or permanently replaced for any protected activity related to the recognition of a primary picket line as recognized in section 7 of the NLRA.

SECTION 3. As required by law, employees shall be furnished to the Employer during labor disputes with other construction crafts and the Employer will endeavor to work as long as economically possible during these periods.

ARTICLE 14

SAFETY MEASURES

SECTION 1. The Employer and the employee will conform to all Federal and State health and safety regulations applicable to work covered by this Agreement and shall have adequate shelters available where necessary, with heat, where the workers can change and dry their clothes and store their tools. On all projects covered by this Agreement, there shall be provided by the Employer at all times during construction, sanitary facilities consisting of a reasonable number of toilets and urinals. Fresh drinking water will be available to the workers. Employer will furnish welding equipment, including all leathers, hard hats, eye protection, ear protection, respirators, safety belts and lanyards, and reflective vests.

SECTION 2. This Agreement is not intended to and shall not be construed as creating, imposing, or adopting on the Union or representatives any state common-law duties in the areas of safety.

ARTICLE 15

SAVINGS CLAUSE

SECTION 1. This Agreement is not intended to and shall not be construed to permit acts which violate any valid Federal or State law.

SECTION 2. If any provision of this Agreement or the application of such provision shall in any court or other Governmental action, be held invalid, the remaining provisions and their application shall not be affected thereby. Provided, however, upon such invalidation the parties signatory hereto agree to immediately meet to re-negotiate such provisions affected. The parties agree to arrive at a mutually satisfactory replacement within sixty (60) days unless a definite extension of time is mutually agreed to. In the event that the parties are unable to negotiate a replacement, the matter shall be resolved through the provisions of Article 11.

ARTICLE 16
HOURS OF WORK

SECTION 1. SINGLE SHIFT OPERATION

(a) Eight (8) hours shall constitute a day's work, five (5) days shall constitute a week's work. Monday through Friday.

(b) A single shift operation shall be restricted to the hours between 6:00 am and 6:00 pm and eight (8) hours of continuous employment (except for meal period) shall constitute a day's work Monday through Friday of each week

(c) Four ten (10) hour shifts at the straight time rate may be established Monday through Thursday. In the event the job is down due to weather conditions, then Friday may, at the option of the Employer, be worked as a make-up day. All hours worked in excess of ten (10) hours a day or forty (40) hours a week must be compensated at the overtime rate.

(d) No employee shall be discharged, laid off, or disciplined, replaced or transferred for refusing to work a make-up day.

(e) In the event of a civil emergency such as, but not limited to, earthquakes, floods, or fires, starting time of the shift may be made to fit the emergency and eight (8) hours in any twenty-four (24) hour period may be worked at straight time. In order to work such shift, mutual agreement shall be received.

(f) Special Shifts - When the owner (not acting as the contractor), contract specifications or a government agency require that work can only be performed outside the regular day shift, then a special shift may be worked at the straight time rate. The starting time of work will be arranged to fit such conditions of work. Such shift shall consist of eight (8) hours work for eight (8) hours pay or ten (10) hours work for ten (10) hours pay for four ten shifts. In the event the special shift is less than forty (40) hours in duration the Employee will receive an additional \$1.00 per hour special shift premium. This premium pay does not apply to work outside the normal shift that is paid in accordance with Article 17. Overtime.

(g) Holiday Week: In the event that a holiday is celebrated during the week (Monday through Friday), the remaining four days of the week may be worked as a four ten shift at the straight time rate.

SECTION 2. MULTIPLE SHIFT OPERATION

Shifts may be established when considered necessary by the Employer. The Employer shall notify the Union of either a two (2) or three (3) shift operation. Shift hours and rates will be as follows:

(a) Two Shift Operation. On a two consecutive shift operation, no shift penalty is involved for work performed on either of these two shifts. Each shift must be scheduled for at least eight (8) hours except as provided for in Section 1 of this Article. On a two shift operation, the second shift shall be established for a minimum of three (3) days.

Once the starting times are established for the two shift operation, they shall not be changed except upon three (3) working days written notice to the Union.

(b) Three Shift Operation. On a three shift operation, the following shall apply:

First Shift - The regular hours of work on the first shift of three shift operations shall be eight (8) hours of continuous employment, except for a meal period at mid-shift, between the hours of 6:00 am and 6:00 pm.

Second Shift - The second shift shall consist seven and one-half (7½) hours of continuous employment, except for a meal period at mid-shift, and shall be paid for at eight (8) hours the straight time hourly wage rate.

Third Shift - The third shift shall consist of seven (7) consecutive hours of employment, except for a meal period at mid-shift, and shall be paid for at eight (8) hours the straight time hourly wage rate.

(c) Multiple shift (a two or three shift) operation will not be construed on the entire project if at any time it is deemed advisable and necessary for the Employer to multiple shift a specific operation. Those groups of employees only who relieve first shift groups of employees and such first shift groups of employees who are relieved by groups of employees on a second shift, and on a three shift operation those groups of employees who relieve the groups of employees on a second shift, shall be construed as working multiple shifts. The intent of this clause shall be construed so as to recognize that a "reliever group" and a "relief group" does not necessarily mean "person to person" relief.

(d) It is understood and agreed that when the first shift of a multiple shift (a two or three shift) operation is started at the basic straight time rate or at a specific overtime rate, all shifts of that day's operation shall be completed at that rate.

SECTION 3. TIDE WORK

When an employee has completed his/her scheduled shift and is called out to perform special work, including tide work, he/she shall receive premium pay in accordance with the following rates:

- (a) For show up, four (4) hours pay at regular straight time rate is due
- (b) When put to work, a minimum of four (4) hours pay is due at the applicable overtime rate.

ARTICLE 17 OVERTIME

SECTION 1. Work performed in excess of eight (8) hours of straight time per day, or ten (10) hours of straight time per day when four ten (10) hour shifts are established, or forty (40) hours of straight time per week, Monday through Friday, or outside the normal shift, and all work on Saturdays, shall be paid at time and one-half the straight time rate. Hours worked over twelve hours (12) in a single shift and all work performed after 6:00 pm Saturday to 6:00 am Monday and Holidays shall be paid at double the straight time rate of pay. The Employer shall have the sole discretion to assign overtime work to employees. Primary consideration for overtime work shall be given to employees regularly assigned to the work to be performed on overtime situations.

SECTION 2. After an employee has worked eight (8) hours at an applicable overtime rate, all additional hours shall be at the applicable overtime rate until such time as the employee has had a break of eight (8) hours or more.

ARTICLE 18 REPORTING AND MINIMUM HOURS PAY

SECTION 1. Reporting pay: Employees reporting for work and not put to work shall receive two (2) hours pay at the regular straight time rate, unless notified not to report at the end of the previous shift or two (2) hours prior to the start of a shift. Employer may require employees to remain at the jobsite for the two (2) hours to receive such reporting pay.

It is understood that it shall be the responsibility of the Employer to secure from each employee a telephone number by which he can be contacted. The employer will make every effort to notify employees of any shift cancellation. If the employee does not, at the Employer's request, furnish a telephone number or fails to inform the Employer of any change of number at which they may be reached, then the Employer shall be relieved of any responsibility of notification and shall not have to pay show-up time.

When employees, including new hires, reporting for work arrive on the job unprepared to perform the work required (for example, under the influence of alcohol or drugs, or inadequately clothed), the Employer shall not be expected to put such individuals to work nor shall they be entitled to reporting pay if not put to work.

Reporting pay on overtime days shall be a minimum of two (2) hours at the applicable overtime wage rate.

SECTION 2. Minimum Hours: When the shift is started, half shift shall be allowed; if second half is started, then a whole shift shall be allowed; and if the second half of the shift only is started, one-half (½) shift shall be allowed, unless an employee leaves of their own volition or is discharged for cause, in which event they shall be paid for actual time worked.

SECTION 3. If any employee refuses to start work or if any employee stops work on his own volition, the minimum set forth in Section 2 above shall not apply.

SECTION 4. Employees called to work and who are put to work on Saturdays, Sundays or holidays shall be compensated at the applicable overtime rate and as outlined in SECTION 2.

SECTION 5. When a shift is suspended due to inclement weather, after the two (2) hour minimum, employees shall be paid for actual time worked.

SECTION 6. When an employee is "called out" to work without at least eight (8) hours time off since their previous shift, all such "call out" time shall be paid at the overtime rate until he shall have the eight (8) hours rest period.

ARTICLE 19 **MANAGEMENT RIGHTS CLAUSE**

SECTION 1. The Employer retains full and exclusive authority for the management of its operation subject to the provisions of this Agreement. The Employer shall direct his working forces at his sole prerogative including, but not limited to hiring, promotion, transfer, layoff or discharge for just cause as traditionally practiced within the Construction Industry. The Employer shall utilize the most efficient methods or techniques of construction, tools or labor saving devices. There shall be no limitations upon the choice of materials or design except those imposed by safety and health considerations.

SECTION 2. The foregoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth.

SECTION 3. It shall not be a violation of this Agreement when the Employer considers it necessary to shut down to avoid possible loss of human life because of an emergency situation that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the Employer requests the employees to stand by, the employees will be compensated for the "standby time."

If such a condition continues, the Employer agrees to give timely notice to members of the next shift scheduled to report for duty. In the event timely notice is not given, employees who report for work at their regular reporting time and are not put to work shall be paid "show up pay".

This article shall be subject to the grievance procedure set forth in Article 11.

ARTICLE 20 **SPECIAL CONDITIONS**

SECTION 1. Both parties recognize that there may be extenuating circumstances when it is to the mutual interest of both parties to modify the terms of this Agreement. In that event, it will not be a violation of this Agreement for the parties to meet and mutually agree to make such modifications to meet a specific need on a specific project.

In order to maximize the effect of this provision, all crafts will be requested to act uniformly. Employees of a craft should be treated equally under this provision. The General Contractor shall encourage their subcontractors to comply with any modifications granted under this provision.

ARTICLE 21

PRE-DETERMINED WAGE RATE PROJECTS

SECTION 1. In the event the Employer bids a public job or project being awarded by a Federal, state, county, city or other public entity which is to be performed at a pre-determined and/or prevailing wage rate established pursuant to the provisions of the Davis-Bacon Act (Public Law 74-403 (8/30/35) as amended 3/23/41 and 7/2/64 (40 USC 276A-276A7 as amended)) or established by the Industrial Statistician of Washington pursuant to the provisions of Title 39 RCW (39.12) Prevailing Wages on Public Works, the published hourly wage and fringe rates set forth in said public work at the time of bid shall apply for the first 24 months of the project from the date the contractor is permitted to proceed with work. And further provided, should said public project continue beyond the expiration of this Agreement, the fringe benefits then applicable shall be the fringe benefits set forth in the successor Master Agreement. Notwithstanding the above, project agreements may be mutually agreed upon to allow use of the pre-determined wage and fringe rate for the duration of a project to exceed 24 months.

The fringe benefit contribution rates shall be those as established and maintained by the Master Agreement and any fringe increases are the responsibility of the Employer.

SECTION 2. The Employer agrees to notify in writing the Union dispatch hall of the said project's date the contractor is permitted to proceed with work.

SECTION 3. In the event the specifications include an escalator provision covering wages, such amount will be included as an increase to wages to the extent that the Employer may recover in the escalator claim.

ARTICLE 22

SUBSTANCE ABUSE POLICY

SECTION 1. Labor and Management are committed to providing employees with a drug-free and alcohol-free workplace. It is the goal to protect the health and safety of employees and to promote a productive workplace, and protect the reputation of Labor and Management and the employees.

SECTION 2. Consistent with those goals, the Employer prohibits the use, manufacture, possession, distribution or sale, at its employment sites, of drugs, drug paraphernalia or alcohol. A testing program, pursuant to the Substance Abuse Program, may be instituted, upon mutual consent of Labor and Management which consent shall not unreasonably be withheld to monitor compliance with this policy.

SECTION 3. If the Employer implements a Substance Abuse Program according to the terms of this Article on a project, all subcontractors will be required to have and implement a substance abuse program.

SECTION 4. An acceptable Substance Abuse Program is contained in a separate addendum to this Collective Bargaining Agreement. It is not a part of this agreement and modifications to this Substance Abuse Program, by mutual agreement of an employer and the union, will not constitute a change to this agreement. Mutual agreement will not be unreasonably withheld.

SECTION 5. Any grievance related to any Employer's substance abuse program shall be resolved through Article 11, Settlement of Disputes/Grievance, of this agreement.

ARTICLE 23
LIGHT DUTY RETURN TO WORK

It is agreed that the Employer may return an injured member to light duty status when allowed by the member's doctor. When such light duty work is available, light duty functions may not be work of another craft or work under classifications covered by the Master Operating Engineers Agreement and Schedule "A" classifications. At no time will the member's total earnings be less than his/her full time loss compensation under industrial insurance. Further, the member will be provided with a full fringe package, as per the collective bargaining agreement, over and above total remuneration. Should the member on light duty have to be laid off, due to no work available, the employer will not adversely affect his/her ability to continue to receive loss time benefits from the Industrial Insurance Division of Labor and Industries (including self-insured employers), provided they are still medically eligible.

APPENDIX 1

SCHEDULE "A"

CLASSIFICATIONS AND WAGE SCALES

On all work covered by this Agreement, and in all instances in which equipment is operated in the performance of work covered by this Agreement, such work shall be performed and such equipment shall be operated by employees obtained in accordance with this Agreement (Appendix "3" Hiring and Union Recognition) and they and each of them shall be employed in the classifications and at the wage scales following:

NOTE: ONLY ZONE "1" RATES ARE SHOWN FOR ALL CLASSIFICATIONS. REFER TO SCHEDULE "C" FOR ZONE "2" & "3" RATE ADJUSTMENTS.

WAGES			
	Effective Date		
Group	June 1, 2007	June 1, 2008	June 1, 2009
IAAA	\$34.34	\$35.64	\$36.92
IAA	\$33.78	\$35.08	\$36.36
IA	\$33.21	\$34.51	\$35.79
I	\$32.66	\$33.96	\$35.24
II	\$32.17	\$33.47	\$34.75
III	\$31.75	\$33.05	\$34.33
IV	\$29.39	\$30.69	\$31.97

DEDUCTIONS FROM WAGE			
	Effective Date		
	June 1, 2007	June 1, 2008	June 1, 2009
Dues Check-Off	2% GW	2% GW	2% GW
Union Programs	\$0.20	\$0.25	\$0.30
Political Programs (Voluntary)	\$0.05	\$0.05	\$0.05

FRINGE BENEFITS			
	Effective Date		
	June 1, 2007	June 1, 2008	June 1, 2009
Health & Security	\$6.75	\$7.15	\$7.55
Pension	\$5.40	\$6.15	\$6.90
Apprenticeship Training/Retraining	\$0.60	\$0.65	\$0.70

CLASSIFICATIONS

Group IAAA	<ul style="list-style-type: none"> -Cranes: Over 300 tons or 300' of boom (including jib with attachments) -Cranes: <u>Friction Over 200 tons</u>
Group IAA	<ul style="list-style-type: none"> -Cranes: 200 tons to 300 tons, or 250' of boom (including jib with attachments) -Cranes: <u>Friction 100 tons through 199 tons</u> -Tower crane: over 175' in height, base to boom - Shovel, excavator, backhoes: <u>over 90 metric tons</u>
Group IA	<ul style="list-style-type: none"> -Cranes: 100 tons through 199 tons, or 150' of boom (including jib with attachments) -Overhead, bridge type: 100 tons and over -Tower crane: up to 175' in height base to boom -Loader: Overhead 8 yards. & over -Shovel, excavator, backhoes: <u>over 50 metric tons and up to 90 metric tons</u> -Mechanics: all (Leadmen - \$0.50 per hour over mechanic)
Group I	<ul style="list-style-type: none"> -Asphalt Plant Operators -Cableways -Concrete Pump: Truck mount with boom attachment over 42M -Cranes: 45 tons through 99 tons, under 150' of boom (including jib with attachments) -Overhead, bridge type: 45 tons through 99 tons -Derricks: on building work -Hard tail end dump: articulating off- road equipment 45 yards. & over -Loader: Overhead 6 yards. but not including 8 yards -Motor patrol graders: <u>finishing</u> -Mucking machine, mole, tunnel drill, boring, road header and/or shield -Quad 9, HD 41, D10 and over -Remote control operator on rubber tired earth moving equipment -Rollagon -Scrapers, self-propelled: 45 yards and over -Spreader: Topsider & Screedman -Shovel, excavator, backhoe: <u>over 30 metric tons and up to 50 metric tons</u> -Slipform pavers -Transporters: all track or truck type -Welder

Group II	<ul style="list-style-type: none"> - Batch Plant Operator: concrete - Barrier machine (Zipper) - Bump cutter - Cranes: 20 tons through 44 tons with attachments - Overhead, bridge type Crane: 20 tons through 44 tons - Chipper - Concrete pump: truck mount with boom attachment <u>up to 42M</u> - Crusher - Deck engineer/deck winches (power) - Drilling machine - Grade Engineer: using blue prints, cut sheets, etc - Finishing Machine: Bidwell and Gamaco & similar equipment - Guardrail punch - Hard tail end dump: articulating off-road equipment under 45 yards - Horizontal/directional drill operator - Loaders: Overhead under 6 yards - Loaders: Plant feed - Locomotives: all - Material Transfer Device – - Piledriver: (other than crane mount) - Roto-mill, roto-grinder - <u>Shovel, excavator, backhoe, tractor: 15 to 30 metric tons</u> - Subgrader trimmer - Scraper: self propelled under 45 yards - Truck Crane Oiler/Driver: 100 tons and over - Truck mount portable conveyor - Yo Yo pay dozer
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Group III	<ul style="list-style-type: none"> - Cranes: through 19 tons with attachments A-frame over 10 tons - <u>Concrete Pump:</u> Mounted or trailer high pressure line pump, pump high pressure. - Conveyors - Dozers: D-9 & under - Drill Oilers: auger type, truck or crane mount - Forklift: 3000 lbs and over with attachments - Horizontal/directional drill locator - Outside Hoists (elevators and manlifts), Air Tuggers, Strato - Tower Bucket Elevators - Hydralifts/boom trucks: over 10 tons - Loaders: elevating type belt - Motor patrol grader: non-finishing - Plant oiler: asphalt, crusher - Roller: plant mix or multi-lift materials - Saws: concrete - Scrapers: concrete & carry all - Service engineers: equipment - Trenching machines - Truck crane oiler/driver: under 100 tons - <u>Shovel, excavator, backhoe, tractors:</u> under 15 metric tons.
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Group IV	<ul style="list-style-type: none"> - Assistant Engineer - Bobcat - Brooms - Compressor - Concrete Finish Machine: Laser Screed - Cranes: A-frame: 10 tons and under - Elevator and man-lift: permanent and shaft type - Forklifts: under 3000 lbs. with attachments - Gradechecker/Stakeman - Hydralifts/boom trucks: 10 tons and Under - Oil distributors, blower distribution & mulch seeding operator - Pavement breaker - Posthole digger: mechanical - Power plant - Pumps: water - Rigger and Bellman - Roller: other than plant mix - Wheel tractors: Farmall type - Shotcrete/gunite equipment - Quick Tower: no cab, under 100 feet in height based on boom - Brokk: Remote demolition equipment
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All equipment will be classified in accordance with their respective manufacturer's rated capacity. The rates of pay for all tandem scrapers and/or scraper trailer will be paid in accordance with the total yardage thereof.

General Foreman /Foreman- **\$2.00** per hour over highest classification under his supervision.

Master Mechanic - \$1.00 per hour over highest classification under his supervision.

Wage scales for operators of equipment operated on heavy construction not listed herein shall be negotiated at the time such equipment is to be operated.

HANDLING OF HAZARDOUS WASTE MATERIALS:

Personnel in all craft classifications subject to working inside a designated hazardous waste perimeter shall be eligible for compensation in accordance with the following group schedule relative to the level of hazardous waste as outlined in the specific Hazardous Waste Project Site Safety Plan. (The level of protection shall be defined in CFR 1910.120., Appendix B.)

HANDLING OF HAZARDOUS WASTE MATERIALS:

Personnel in all craft classifications subject to working inside a designated hazardous waste perimeter shall be eligible for compensation in accordance with the following group schedule relative to the level of hazardous waste as outlined in the specific Hazardous Waste Project Site Safety Plan. (The level of protection shall be defined in CFR 1910.120., Appendix B.) Classification/Hazardous Waste Group Number

H-1 Base Wage Rate when on a hazardous waste site when not outfitted with protective clothing or Level "D" equipment

H-1 Class "D" Suit- Base wage rate plus \$0.50 per hour

H-2 Class "C" Suit - Base Wage Rate plus \$1.00 per hour

H-3 Class "B" Suit - Base Wage Rate plus \$1.50 per hour

H-4 Class "A" Suit - Base Wage Rate plus \$2.00 per hour

Apprentice scales shall be set forth in APPENDIX 1, SCHEDULE "B", SECTION (4)c.

SCHEDULE "B"
FRINGE BENEFITS

SECTION 1. HEALTH & SECURITY

It is agreed that all Employers covered by this Agreement shall contribute a sum as listed in Schedule "A", herein for each compensable man hour of Operating Engineers including supervisory employees when covered by this Agreement. Said contributions shall be made on or before the fifteenth (15th) day of the month following the month in which the hours were worked to Locals 302 & 612, International Union of Operating Engineers Construction Industry Health & Security Trust Fund in the manner set forth in the Trust Agreement of the said Trust Fund. The details of the Health & Security Plan established by this trust fund shall continue to be controlled and administered by a joint board of Trustees composed of equal representation from the Unions and the AGC of Washington who are signatory to the trust agreement of the aforesaid trust fund. Each Trustee appointed by the Union shall be a member of the Union party to this Agreement, and each Trustee appointed for the Employers shall be a member of an affiliated firm of the AGC of Washington or a regular paid employee of the AGC of Washington.

It is understood that the Union and Employer associations are principal parties to the Trust Agreements, and therefore, shall be furnished full information on the actions of the Trustees and the operations of the Trusts.

SECTION 2. POST RETIREMENT/HEALTH REIMBURSEMENT ACCOUNT

The creation and implementation of a plan will be determined by the Board Trustees of the Local 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Post Retirement/Health Reimbursement Account, in accordance with the Trust Agreement that creates the Fund. The Employer and the Union agree to be bound by said Trust Agreement and all lawful amendments thereto, and do further agree to accept as their representatives those Employer Trustees and Union Trustees who constitute the Board Trustees of said Trust Fund and their lawful successors.

SECTION 3. PENSION

It is agreed that all employers covered by this Agreement shall contribute a sum as listed in SCHEDULE "A" herein for each compensable man hour of operating engineers including supervisory employees when covered by this Agreement. Said contributions shall be made on or before the fifteenth (15) day of the month following the month in which the hours were worked, to Locals 302 & 612, Operating Engineers-Employers Retirement Fund in the manner as set forth in the trust agreement of the said trust fund. The details of the Retirement Plan established by this trust fund shall continue to be controlled and administered by a joint board of trustees composed of equal representation from the Unions and the AGC of Washington who are the signatory to the trust agreement of the aforesaid trust fund. Each Trustee appointed by the Union shall be a member of the appointing Local and each trustee appointed by the employers shall be a member of an affiliated firm of the AGC of Washington or a regular paid employee of the AGC of Washington.

SECTION 4. EXCESS BENEFIT PLAN

It is agreed that a portion of the negotiated pension contributions to the Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Fund ("Retirement Fund") shall be remitted to a Non-Qualified Excess Benefit Trust ("Excess Benefit Trust") to be utilized as necessary to establish, fund and administer the Excess Benefit Trust and a Non-Qualified Excess Benefit Plan under guidelines established in Internal Revenue Service ("IRS") Private Letter Rulings and under any other IRS private letter ruling the parties may request. The amount remitted to the Excess Benefit Trust shall be the amount necessary to pay benefits and administrative expenses under the Non-Qualified Excess Benefit Plan for the following month, including any retroactive payments authorized by the Excess Benefit Plan, as calculated by the third-party administrator for the Retirement Fund and Excess Benefit Trust. The balance of the contributions not paid to the Excess Benefit Trust shall be

remitted to the Retirement Fund. In no event shall amounts previously contributed to the Retirement Fund be reallocated to the Excess Benefit Trust.

The Excess Benefit Plan will be designed solely to provide pension benefits to Retirement Fund participants, whose benefits are otherwise limited by Internal Revenue Code Section 415.

The Excess Benefit Plan and Trust will be administered by a Board of Trustees, consisting of the same Trustees who administer the Retirement Fund. The Retirement Fund Trustees are granted the authority to establish and maintain the Excess Benefit Plan and Trust, provided that the language of the Excess Benefit Plan will allow for its termination if continuing benefits under that Plan will impair the funding status of the Retirement Fund, or if legislation is adopted modifying Internal Revenue Code Section 415 to such an extent that the Excess Benefit Plan is no longer required.

SECTION 5. APPRENTICESHIP/TRAINING/RETRAINING

(a) The parties to the Agreement agree that the best interest of the construction industry will be served by establishing an apprenticeship/training/retraining program so that new employees may be trained in the operation of equipment covered by this Agreement.

(b) It is agreed that all employers covered by this Agreement shall contribute a sum as listed in SCHEDULE "A" for each compensable man hour of Operating Engineers, including supervisory employees when covered by this Agreement, employed by such employers in work contained in the term of this Agreement. Said contributions shall be made on or before the fifteenth (15) day of the month following the month in which the hours were worked to the Western Washington Employers-Engineers Training Trust in the manner as set forth in the trust agreement of the said trust fund. The details of the Apprenticeship/Training/Retraining program established under this trust fund shall continue to be controlled and administered by a joint board of trustees composed of equal representation from the Unions and the AGC of Washington who are signators to the trust agreement of the aforesaid trust fund. Each trustee appointed by the Union shall be a member of the appointing Local and each trustee appointed by the employers shall be a member of an affiliated firm of the AGC of Washington or a regular paid employee of the AGC of Washington.

(c) APPRENTICE RULES:

1. Apprentices shall be paid the following rates of wages based on a percentage of Group III:

1st	1000 hours	<u>65%</u>
2nd	1000 hours	<u>70%</u>
3rd	1000 hours	<u>75%</u>
4 th	1000 hours	<u>80%</u>
5 th	1000 hours	<u>90%</u>
6 th	1000 hours	<u>95%</u>

2. All working conditions governing the employment of journeymen shall also apply to apprentices.
3. Apprentice Ratios. A well trained workforce is critical to the long-term efficient and economical performance of the work covered by this agreement. The Employer and the Union are mutually committed to using apprentices to have adequate supply of skilled workers for the future. Accordingly, the Employer and the Union agree to a goal to employ apprentices at a rate of 15% of the Operating Engineers covered by this agreement. Additionally, each individual contractor who employs seven (7) or more journeymen operating engineers covered by this Agreement shall employ a minimum of one (1) apprentice. Thereafter, said contractor shall employ one (1) additional apprentice for each twenty (20) journeymen covered by this Agreement.

EXAMPLE:

<u>Journeyman</u>	<u>No. of Apprentices required</u>
0 - 6	None
7 - 19	One (1)
20 - 39	Two (2)
40 - 59	Three (3)
60 - 79	Four (4)
80 - 99	Five (5), etc.

4. If, for any reason, the criteria established in this paragraph cannot be met by either party, a review of the situation will be made via the grievance procedure.

5. A Joint Apprenticeship and Training Committee established by the parties to this Agreement shall have the responsibility for establishing a training and retraining program, and apprenticeship program which shall be within the scope of the National Apprenticeship Standards. This committee shall establish a referral procedure for apprentices in conformance with the training standards. The apprenticeship office shall dispatch all apprentices in accordance with the procedure established by the above committee without regard to other provisions of APPENDIX 3.

6. Apprentices who have completed the Apprenticeship and Training program established under this Agreement shall obtain Group 1 status. Any apprentice having been cancelled for just cause after written and specific notice and full and fair hearing by the Apprenticeship Committee, or who has dropped out of the program of their own accord, shall not be permitted to register for employment nor be dispatched as journey level operator by the local Union for a period of two (2) years after cancellation.

SECTION 6. It is understood that the Union and Employer Associations are principal parties to the trust agreements and therefore, shall be furnished full information on the actions of the trustees and the operations of the trusts.

In the event an Employer fails to make the monetary contributions in conformity with this section of the Agreement, the Union is free to take economic action against such Employer it deems necessary, and such action shall not be considered a violation of this Agreement.

SECTION 7. FRINGE OPTION: It is further agreed that if additional sums are necessary to maintain or improve the fringe benefit plans, such sums may be deducted from wages at any anniversary date of the Agreement by mutual agreement, giving sixty (60) days prior notice.

SECTION 8. WORKING-DUES CHECK-OFF ASSIGNMENTS

In accordance with the terms of an individual and voluntary written authorization for check-off of membership dues in form permitted by the provisions of Section 302 (c) of the Labor Management Relations Act, as amended, the Employer agrees to deduct for working dues two percent (2%) of gross wages once each week which has been or will be in the future *authorized by the membership of the Union. All monies collected for working dues by the Employer shall be paid to the agent of the Union, namely: IUOE Local 302 & 612 Construction Industry Health & Security and Pension Funds, c/o Welfare and Pension Administration Services, Inc., P.O. Box 34205, Seattle, WA 98124-1205. The working dues which are deducted shall be paid monthly by the fifteenth (15) day of the month following the month in which they were deducted. The working dues shall be remitted to the Local that retains the jurisdiction for the project as specified in Article 3, Territory of Agreement.*

SECTION 9. UNION AND POLITICAL PROGRAMS

A. The Employer agrees to deduct from the net pay (after taxes) of each employee performing work covered by the terms of this Agreement a sum as set forth in Appendix, Schedule "A" for each compensable hour worked and remit same to the IUOE Local 302 & 612 Union Programs Fund. Contributions will be made on the same form as the Health and Security payments. The union program contribution shall be remitted to the Local that retains the jurisdiction for the project as specified in Article 3, Territory of Agreement.

B. The Employer will deduct five cents (\$0.05) for each hour that the Employee receives wages under the terms of the Agreement, on the basis of individually signed, voluntary authorized deduction forms. It is agreed that these authorized deductions for the IUOE Local 302 Political Programs Fund are not conditions of membership in the International Union of Operating Engineers or of employment with the Employer and that the IUOE Local 302 Political Program Funds will use such monies in making political contribution in connection with Federal, State, and Local elections. Contributions will be made on the same form as the Health & Security payments.

The costs of administering this payroll deduction for IUOE Local 302 Political Program Fund are incorporated into the economic package provided under the terms of this Agreement so that the IUOE Local 302 has, through its negotiation and its execution of this Agreement, reimbursed the Employer for the costs of such administration.

SECTION 10. RECIPROCITY AGREEMENT

If Local 302 has entered into a reciprocity agreement with a sister local outside the jurisdiction of the agreement providing that an Employer covered by this Agreement may bring its key employees with it into Local 302's jurisdiction, said Employer shall be permitted to make contributions to the sister local trust funds on behalf of its key employees. In the event the total contributions under this Agreement are higher than the total sister Local contribution rate, the difference shall be paid to the employee as a part of his/her wages.

SCHEDULE "C" ZONE PAY DIFFERENTIAL

SECTION 1. The payment for transportation reimbursement shall be governed by the following provisions:

(a) The parties recognize that it is sometimes inconvenient to get to the job locations because of varying distances. It is agreed and understood that while traveling to and from work, the employees are not within the course and scope of their employment and the relationship of Employer-employee does not commence until the hourly wage commences.

SECTION 2. ZONE PAY

Zone pay differential shall be paid on jobs located outside of the free zone computed from the city center of the following listed cities:

Bellingham	Everett	Aberdeen	Seattle
Mount Vernon	Port Angeles	Shelton	Wenatchee
Kent	Port Townsend	Bremerton	Yakima

TRAVEL:

Zone 1:	0 - 25 radius miles	Basic hourly rate
Zone 2:	over 26 - 45 radius miles	Basic hourly rate <u>+\$1.00</u> per hour
Zone 3:	Over 45 radius miles	Basic hourly rate <u>+\$1.30</u> per hour

SECTION 3. SPECIAL TRAVEL CONDITIONS

(a) When the only access roads to a job require employees to travel into a higher travel zone and back to the zone in which the job is located, then the employee shall be paid the travel remuneration provided for the higher zone.

(b) On dam, hydroelectric, building projects and other remote engineering projects such as airports, refineries and radar or radio installations, but not limited thereto, where the Employer provides camp or board and lodging, required traveling time will be paid for the initial trip to the job and return. Payment of travel time on the return trip will be paid to all employees, including discharges and layoffs; the only exception that shall apply will be as to those employees that remain on the job less than thirty (30) calendar days who voluntarily quit.

(c) On jobs where an Employer establishes a camp with board and lodging, or where the Employer prohibits private vehicles beyond a designated area, which in either case is more than reasonable walking distance from the job site, the Union and the Employer concerned shall be required to enter into immediate negotiations to establish all conditions of travel and/or transportation from the camp or parking areas to the place of work in the job site.

SECTION 4. CAMP PROVISIONS

When the employer provides camp or board and lodging, the basic wage scale will be observed and rate of camp or board and lodging will not exceed \$9.00 per day to be paid by the employee. Any costs over \$9.00 per day will be absorbed by the Employer, on jobs in remote areas where camp or board and lodging is not provided and housing is inadequate, or the cost for housing is prohibitive, the Employer will make every effort to arrange for housing at reasonable rates to his employees.

SECTION 5. TOLL & FERRY FEES

All necessary ferry or other forms of water transportation are to be reimbursed by the Employer in the following manner:

(a) Employees will be reimbursed at the passenger fare or passenger car fare when substantiated by receipts.

(b) When employees elect to live at or near the project and forego daily ferry travel, it is recognized that they are entitled to the prerogative of visiting their homes for the weekend, and in that event ferry charges shall be paid for such weekend travel as substantiated by receipts.

When circumstances make it necessary that a toll bridge be utilized, the employees will be reimbursed accordingly.

APPENDIX 2 CRAFT WORK RULES

SECTION 1. CREWS

A. Crews on power shovels, mucking machines, crawler cranes, floating cranes, truck cranes, whirley cranes, locomotive cranes, Hyster cat cranes, drilling machines, pile driving equipment, and trenching machines shall consist of an operator and additional engineer unless the Union agrees that an additional engineer is not necessary; and when an employee or employees additional to the operator are required by the Employer for operation, servicing, maintenance or repair on any equipment covered by this Agreement, such extra employee or employees shall be engineers or assistant engineers. Equipment mentioned above shall not mean small machines on which it has been the past practice to use only one employee. The additional engineer is to be under the direct supervision of the operator at all times. In order to maintain the jurisdiction of the Operating Engineers, the Union may, when it deems necessary, allow the contractor to utilize the additional engineers on an intermittent basis to operate equipment in the immediate area and under the supervision of the operator.

B. A Crane Oiler shall be required on Truck Cranes and All Terrain Cranes that are over 55 tons. All Rough Terrain Cranes and Self Propelled Boom type Hydraulic lifting devices and Truck Cranes that can travel on the Washington State Highway system with the boom over the front of the crane carrier without a boom dolly, trailer or any type of conveyance to transport any attachment or part of said Hydraulic Crane may be operated one (1) Operating Engineer. If

assistance is needed for assembly or disassembly, it shall be done by an Operating Engineer. No Crane shall be altered or de-rated for purposes of utilizing one (1) Operating Engineer.

In order to maintain the craft of the operating engineer a rigger/bellman will be employed on tower cranes in addition to the operator at the option of the employer.

SECTION 2. BARGAINING AGENT

The Employers recognize and agree that the Union is the exclusive bargaining agent for the operation, maintenance, Employers shop and job site repair of all heavy construction equipment operated by engineers.

SECTION 3. MAINTENANCE WORK

On all work requiring dewatering of caissons, foundations, piers, etc., or maintenance of air pressure in tunnels, caissons, etc., such work will be performed in accordance with the work week and overtime provisions heretofore established in ARTICLE 16, except that time worked on Sundays, when no other activities (other than such maintenance work as herein specified and which is being done by any other crafts) are in progress, will be compensated for at the overtime rate of one and one-half (1 ½) times the basic rate of wages.

SECTION 4. FOREMAN AND GENERAL FOREMAN

When in the Employer's opinion the spread is sufficient to require the services of a Foreman or General Foreman, such Foreman or General Foreman shall be qualified to supervise such work as may come within the scope of this Agreement, but he shall be a member of the Union. It is understood that a General Foreman shall have a minimum of two (2) foremen under his supervision.

SECTION 5. LEADMAN MECHANIC

When there is no mechanic foreman on a shift and three (3) or more heavy duty mechanics are employed on shift, one (1) shall be designated as a working leadman mechanic and shall receive leadman's pay.

SECTION 6. WELDERS CERTIFICATION

When the Union fills a request for a certified welder, such referred Operating Engineer shall have in his possession a current recognized certificate comparable to the local area or ASME test. If the job to be performed requires additional certification of any kind, the Employer shall pay for all expenses involved in securing such test.

SECTION 7. MASTER MECHANIC

Master mechanics will be employed with the understanding reached in the pre-job conference.

SECTION 8. SPECIAL SAFETY MEASURES

To insure safety and eliminate unnecessary occupational accidents, the Employers agree that:

Whenever practical, equipment shall be properly cabbed and screened.

To eliminate the noise and fumes from exhausts on equipment, the exhaust shall be raised above the cab of the machine. Tandem rubber tired pulls, euclids and similar types shall have exhausts installed on a vertical basis with no side elbows.

The seats and standard manufacturers padding shall be maintained in good repair.

High speed haul roads shall be properly maintained.

Brakes shall be maintained on all rubber tired, self-propelled equipment.

Safety belts shall be required on all rubber tired equipment.

Adequate lights shall be provided for equipment operated at night.

Rear view mirrors will be maintained on all truck cranes.

Boom stops shall be maintained on all cranes.

All cranes shall carry pertinent information or a poster with respect to manufacturers rated capacity relative to boom lengths and load capacity.

All items required for the safe operation of the equipment shall be in working condition.

All signalmen shall use standard signals.

SECTION 9. TEMPORARY UPGRADING

When an employee is temporarily required to perform work on another classification within his craft, the employee shall be paid the higher rate that either classification calls for while required to perform such work.

When work is performed, a minimum of one (1) hour during the first half of the shift, the employee affected shall receive four (4) hours pay at the applicable rate. Whenever work is performed, a minimum of one (1) hour during the second half of the shift, the employee affected shall receive four (4) hours pay at the applicable rate.

SECTION 10. PROTECTIVE CLOTHING

All employees will be furnished rubber boots, coats, pants and hats in suitable condition on wet jobs, and these to be charged to the employees, who are to guarantee their return in like condition, wear and tear excepted.

SECTION 11. TOOLS, TRANSPORTATION OF TOOLS

(a) Heavy duty mechanics shall furnish their own tools, but shall not be required to furnish special tools as follows: Air or electric wrenches, gear and bearing pullers, electric drills, reamers, taps, and dies, Oxyacetylene hoses, gauges, torches and tips, 36" pipe wrenches, socket wrench drives over 3/4", wrenches over 2", coffin hoists and hydraulic jacks.

(b) Mechanics shall not be required by the Employer to furnish their own transportation for tools to perform their work assignments.

(c) The Employer agrees to provide an adequate, dry and safe storage place for the storage of employee's tools which may be necessary in the performance of his work. The Employer agrees that while such tools are in the Employer's custody, and providing that the employee has locked these tools in an adequate tool box, the Employer will carry insurance or assume personal liability, therefore to cover the full, prior agreed value of such tools which may be lost because of fire, flood or theft. Tools broken or damaged in the course of employment will be replaced or reimbursement therefore will be made by the Employer upon the presentation of satisfactory evidence.

(d) When employees are required to pilot and/or haul equipment and/or haul materials in support of equipment for the job, the vehicles necessary to perform the work will be provided by the employer.

SECTION 12. WARRANTY WORK

The only exception with respect to Appendix 2, Section 3 is warranty work, and this work will be permitted and performed in accordance with the following:

(a) Warranty work shall be recognized on new equipment or machinery for a period not to exceed 1,000 meter hours.

(b) Warranty work shall be recognized on used equipment or machinery for a period not to exceed 300 meter hours.

(c) Equipment which is leased, or is on a rental purchase contract, in which ownership resides in the dealer, shall be considered to belong to the contractor for the purpose of this Article.

(d) Warranty mechanics shall supervise and perform actual work on said equipment or machinery assisted by employees covered by this Agreement at a ratio of two warranty mechanics for each contractor mechanic.

SECTION 13. OWNER-OPERATOR

When a piece of equipment is operated by its owner and is used on work covered by this Agreement, the owner-operator of said piece of equipment shall be paid wages and fringe benefits by the Employer subject to the terms and conditions of this Agreement and the check stubs will show equipment rental rate separate from other items. This Article shall not apply when a written subcontract has been entered into with the owner-operator.

SECTION 14. TRAVEL, SUBSISTENCE CRANE RENTAL

The parties hereto recognize that there is a Crane Rental Agreement, supplemental to this Agreement, containing certain conditions as to travel and subsistence and the same is incorporated herein by reference.

SECTION 15. UNION MEMBERSHIP AND DUES

The Union assumes all obligation and responsibility for the collection of union dues, and the Union shall retain the right to discipline its members at all times. No employee shall be discriminated against for upholding Union principals, and any employee who works under the instructions of the Union, or who serves on a committee, shall not lose his position or be discriminated against for this reason. However, the Employer shall be the judge of the employee's qualification.

APPENDIX 3
HIRING AND UNION RECOGNITION
LOCAL 302 HIRING HALL PROCEDURES

SECTION 1. Employers shall only employ qualified Operating Engineers. Operating Engineers shall be qualified for employment under this Agreement who have had two (2) years actual practical working experience in the building, heavy and highway construction industry.

SECTION 2. Definition

Accrued - Earned or accumulated (i.e. hours worked in the last twelve (12) months)

Bargaining Unit Work Classifications referenced in Appendix 1 schedule A of the Master Labor Agreement

Bonafide - Factual or real

Employer Association - A group of employer representatives. In this agreement it is the Associated General Contractors of Washington (AGC)

Freezing To hold group status on the out-of-work list when written verification from a physician is provided.

Illegal Hours - Hours worked without a dispatch.

Joint Venture Two or more contractors performing work on a project as one.

Keyman - A IUOE member of another Local with special skills employed in the jurisdiction of this union as approved by the Business Manager. An agreement signed between Trust funds that allows portability of benefits.

SECTION 3. Employers shall hire qualified Operating Engineers by calling the Union responsible for the geographical area of the project. Whenever the Employer requires Operating Engineers on any job, he shall notify the Local Union office either in writing or by telephone, stating the location, starting time, type of shift (i.e., 4-10's, 5-8's), approximate duration of the job, the type of work to be performed and the number of employees required.

SECTION 4. Employees covered by this Agreement have certain accrued rights to benefits for themselves and their dependents under health and welfare and pension plans which accrue to them by virtue of length of employment with Employers party to this Agreement, and such rights are generally continuous while under employment and remain effective until a certain period of time after lay-off or discharge.

Priority rights mean the right accruing to employees, as hereafter provided in this Agreement, through length of service with Employers party to this Agreement, which will entitle the operating engineer to a priority or preference of rehire after termination or layoff. This priority shall in no way be considered as a right for the purpose of tenure of employment.

Those registered on the list in each group will, after ten (10) attempted contacts, be deemed unavailable for work. These individuals will then be notified by mail and will not be contacted for employment until verification of availability is made in person, by fax or by mail. A signature is required. No more than two (2) attempted contacts per day will be counted towards the ten (10) attempted contacts.

Member/registrants shall maintain a working telephone number on file with the hiring hall. Two weeks following written notice of failure to do so, the member/registrant's name will be removed from the out of work list. Their name will be placed on the bottom of the appropriate list when they are re-registered, with a working telephone number.

All classes of Operating Engineers shall be hired and/or rehired in accordance with the length of service with Employers in the collective bargaining unit as follows:

Group 1 - Operating Engineers who have been employed under this agreement for an accumulative time of at least 500 hours in the last 12 months, in the jurisdiction in which hours were worked immediately preceding their registration date.

Group 2 - Operating Engineers who have been employed under this agreement or any collective bargaining agreement with this Union for an accumulative time of at least 50-499 hours during the last 12 months, in the jurisdiction in which hours were worked immediately preceding their registration date.

Group 3 - All registrants who pass a minimum standard test in categories established by the 302/612 Training Trust, or who can verify journeyman status in another local of the IUOE.

Group 4 - All other applicants

The Employer Associations and the Union shall make up and prepare the roster for preference of rehire by grouping all Operating Engineers who come within the above classifications and shall utilize the health and welfare and pension records in establishing these accrued rights based on length of employment.

"Employers" under this paragraph mean, (1) any Employer party to this Agreement, (2) an out-of-town Employer who adopts or works under this Agreement and contributes to the health & welfare and/or pension plans, and (3) any Employer who employs Operating Engineers under the terms of this Agreement and is a contributing Employer within the meaning of the health & welfare and pension plans.

SECTION 5. Registration or re-registration of applicants for referral shall be accepted by the Union at any time during its customary office hours. All applicants shall be registered in the order of time and date of registration. To remain on the registration list an applicant for referral must renew his registration not later than ninety (90) days from the date of his last registration or re-registration. There shall be four (4) groupings of the out-of-work list. Each applicant for employment shall be required to furnish such data, records, names of Employers and length of employment and licenses as may be deemed necessary, and each applicant shall complete such forms or registration as shall be submitted to him. Applicants for employment shall also list any special skills they may possess. All applicants may register or re-register in person, by mail, or facsimile; member's signature is required. All applicants who register on Groups two (2) through four (4) must submit a Washington State phone number.

SECTION 6. Upon request of an Employer for Operating Engineers, the Union shall refer qualified and competent registrants in the manner and under the conditions specified in this Agreement from the list in the following order of referral:

1. Applicants shall be referred from Group 1, in successive order as their names appear on the out-of-work list, and when Group 1 has been exhausted,
2. Then applicants from Group 2 in successive order as their names appear on the out-of-work list, and when Group 2 has been exhausted,
3. Then applicants from Group 3 in successive order as their names appear on the out-of-work list and when Group 3 has been exhausted,
4. Then applicants from Group 4 as their names appear in successive order on the out-of-work list.
 - (a) Separate lists will be established and maintained for apprentice engineers, and referrals shall be made on the same basis as that for Operating Engineers except that the experience condition set out in Appendix 3 Section 1 of this Agreement shall, as to apprentice engineers, not be applicable or required.
 - (b) Any applicant who is returned by the Employer shall be restored to his place on the out-of-work list. If an employee is employed one (1) to twenty-one (21) calendar days, the employee shall be restored to the out-of-work list the same number of days lower on the out-of-work list as he had been employed. Any employee who is employed more than twenty-one (21) calendar days or terminated of his own accord, shall have his name removed from the out-of-work list. When his employment terminates, he shall be required to register at the bottom of the appropriate group list on which he is entitled to register. A registrant may refuse to be referred to employment two (2) times without prejudicing his position on the appropriate group list on which he is registered. If a member or an applicant accepts a dispatch and does not show up, their name will be entered at the bottom of the appropriate list when they re-register.

- (c) In the event that the referral facilities maintained by the Union are unable to fill the requisition of an Employer for employees within a twenty-four (24) hour period after such requisition is made by the Employer (Saturdays, Sundays, and Holidays excepted), the Employer may employ applicants directly at the job site. In such an event, the Employer will notify the Union of the names and dates of such hiring within twenty-four (24) hours of such hiring.
- (d) The referral procedure as contained herein shall be followed except,
 - (1) That requests by Employers for personnel to act as supervisors, master mechanics, general foremen, industrial foremen, or foremen shall be honored without regard to the requested employee's place on the out-of-work list provided that person does not perform bargaining unit work. Those hired under the provisions of this hiring agreement shall not be reduced to a lower classification without the approval of the Union, nor shall their employment as traveling key men qualify them for a call-back, except where they were previously employed by the Employer in any capacity under the terms of this Agreement for at least 500 hours during the past twelve (12) months. All Traveling keymen must register at the Hiring Hall and have a "Key-Man Agreement" in place, prior to being employed.
 - (2) That requests by Employers for a particular employee previously employed by the Employer within the geographical area of this Agreement and who has been laid off or terminated by the Employer within five (5) years previous to the request shall be honored without regard to the requested employee's place on the out-of-work list, provided said employee was originally dispatched to the requesting Employer in accordance with the terms and conditions of this Appendix (illegal hours will not be recognized);
 - (3) For bonafide requests by the Employers for Operating Engineers with special skills and abilities in the order in which their names appear on the out-of-work list;
 - (4) In the best interests of the industry, requests by an Employer for a particular engineer with no priority shall be honored, without regard to the requested person's place on the out-of-work lists, provided the said individual occupies the status of a college student seeking summer employment only and is the son or daughter of management, or individuals, employed as Operating Engineers. Further provided that any dispute arising as a result of such request may be referred to the Joint Hiring Committee in accordance with this Appendix. For each person dispatched as a college student of who is a son or daughter of management, the employer shall endeavor to employ a son or daughter of an operating engineer.
 - (5) Requests by Employers for a particular Operating Engineer who is registered on the out-of-work list shall be honored provided that person has obtained Group I status in the applicable jurisdiction.
- (e) Where Employers engage in a Joint Venture, employees employed by any of the Joint Venture may be transferred to the job or called for by name if the requirements of (d) 1, 2 and 3 above have been met by any of the Joint Venture.
- (f) If an Employer controls, or holds common ownership of separate corporations, the Employer is considered the Employer for the purpose of the transferring employees to and from such corporation payrolls.

SECTION 7. The Union and the Employers agree that the referral of Operating Engineers shall be on the following basis:

- (a) Selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall not be based on, or in any way affected by, Union membership, bylaws, rules, regulations, constitutional provisions, or any other aspect of or obligation of Union membership, policies or requirements, or in any way affected by race, color, sex, age or creed. The Union shall dispatch to allow an Employer to comply with state or federal affirmative action

requirements; any other local, state or federal law; or any reasonable contractual obligation imposed by the owner.

(b) The Employer retains the right to reject any job applicant referred by the Union for cause but shall not discriminate because of membership or non-membership in the Union or because of race, color, sex, age or creed.

(c) The Union and the Employer shall post, in places where notices to all employees and applicants for employment are customarily posted, all provisions relating to the functioning of the hiring provision of this Agreement.

(d) ASAP requests from contractors will be based on the member's geographical proximity to the project location.

SECTION 8.

(a) All employees covered by this Agreement shall be required, as a condition of employment to apply for and become members of, and to maintain membership in the Union within nine (9) days following the beginning of their employment or the effective date of this cause, whichever is later.

(b) The Union recognizes its obligation and therefore assumes full responsibility to every employee discharged under the provisions of paragraph (a) above as a result of a written request from the Union to the Employer provided that the only reason for discharge is as to the timely tendering of normal initiation fees and dues.

SECTION 9. The parties to this Agreement may create a Joint Hiring Committee, composed of three (3) Employer representatives and three (3) Union representatives, to supervise and control the operation of the job referral system herein. The Joint Hiring Committee is empowered:

(a) To establish any and all rules and regulations from time to time that it deems advisable for the operation of the job referral plan, and such rules and regulations shall be as much a part of this Agreement as if contained herein;

(b) To properly post all rules and regulations relating to the functioning of the referral plan, together with provisions of this Agreement as set out in Section 6 above at the Union dispatch office and at the Employer's office;

(c) To hear and determine any and all disputes or grievances arising out of work registrations, work referrals, and the preparation of the referral registration lists. Any applicant or registrant shall have a right of appeal of any dispute or grievance arising out of and relating to the operation or functioning of the job referral plan to the Joint Hiring Committee.

The Joint Hiring Committee has provided in the rules and regulations of the job referral for an appeal to an impartial umpire whenever the Joint Hiring Committee reaches a deadlock over a dispute. The impartial umpire shall be designated by mutual agreement of the parties. The authority of the impartial umpire shall be limited to interpreting and applying the rules and regulations of the Joint Hiring Committee. All decisions of the Joint Hiring Committee or the impartial umpire shall be final, binding, and conclusive on all parties including applicants.

If questions arise as to the qualifications and competency of an applicant, the Joint Hiring Committee shall make the determination. Such determination shall be fair and impartial, without regard to applicant's membership or non-membership in the Union or race, color, sex, age or creed.

SECTION 10. Either party to this Agreement shall have the right to re-open negotiations pertaining to Union recognition and hiring procedures by giving the other party thirty (30) days written notice when there is reason to believe that the laws pertaining thereto have changed by Congressional amendments, government regulations, or court decision.

SECTION 11. Whenever an employee is discharged without written notice to the Union, the employee shall be considered eligible for rehire.

The Employer shall furnish and complete termination slips for any employee, returning one to the dispatching hall at time of termination & provide a copy to the employee. Each termination slip shall show the actual reason for termination.

SECTION 12. No Applicant for referral to jobs shall be dispatched where: 1) that applicant has been discharged for consuming alcohol on the job or for being intoxicated on the job; or 2) the applicant has tested positive for controlled substance, whether during pre-employment testing or testing following employment. Applicants will be reinstated in the job referral plan when a state certified rehabilitation program has made an evaluation of their condition. Should the evaluation require participation in a rehabilitation program, applicants must be enrolled in an accredited rehabilitation program prior to being reinstated in the job referral plan.

SECTION 13. All Operating Engineers who suffer an injury or serious illness shall have their group status frozen on the out-of-work list by presenting the referral hall with a physician's report stating they are unable to perform work as an Operating Engineer. The "freezing" of an applicant's group status does not apply to Health & Welfare or Pension eligibility.

(a) The applicant must register on the out-of-work list. To remain on the out-of-work list, an applicant must renew his/her registration not later than ninety (90) days from the date his/her last registration or re-registration.

(b) When the applicant provides the referral hall with a physician's "Release for Work" document, the applicant shall be considered ready and available for work effective on the date the work release was received in the referral hall. The applicant's group status on the out-of-work list will then revert to the status as it was on the date it was frozen and all referral hall rules shall apply.

SECTION 14. Members that are called to active duty with the National Guard or a military reserve unit may register on the out-of-work list. During the active duty period it is unnecessary to re-register to maintain an out of work date.

(a) The member must prove active duty status and then they will not be contacted for work during the active duty period.

(b) Upon separation from active duty the member shall notify the hiring hall of change in status within thirty (30) calendar days.

CRANE RENTAL ADDENDUM

In accordance with Appendix 2, Section 17 of the existing Master Labor Agreement, the following conditions shall govern crane rentals:

Employers engaged in crane rentals and who furnish crews there with shall recognize the following conditions:

SECTION 1. When a crane is rented to any job of less than thirty (30) calendar days duration, the following schedule of conditions will apply:

(a) When the Employer's headquarters are located in one of the cities set forth in (b) below, the center of such city shall be the measuring point from which additional remuneration will be compensated. In the event the Employer's headquarters are located outside of these specific cities, the city center of the specified city nearest the Employer's headquarters shall be designated as the measuring point.

(b) Zone Pay Differential:

(1) When jobs are located outside of the city limits of Everett, Mount Vernon, Bellingham, Port Angeles, Aberdeen-Hoquiam (with the city center of Aberdeen being considered the city center for both towns), Shelton, Bremerton, Seattle, Wenatchee, and Yakima and camp or board and lodging are not provided, the following additional remuneration will be paid:

Zone 1	0 - 25 radius miles	Basic hourly wage rate
Zone 2	over 25 - 45 radius miles	Basic hourly wage rate -- <u>\$1.00</u> per hour
Zone 3	over 45 radius miles	Basis hourly wage rate -- <u>\$1.30</u> per hour

(2) When the only access roads to a job require employees to travel into a higher travel zone and back to the zone in which the job is located, then the employees shall be paid the zone pay provided for the higher zone.

(c) Toll and Ferry Fees:

All necessary ferry or other forms of water transportation are to be reimbursed by the Employer in the following instances and manner:

(1) Employees will be reimbursed at the passenger fare or passenger car fare when substantiated by receipts.

(2) When employees elect to live at or near the project and forego daily ferry travel, it is recognized that they are entitled to the prerogative of visiting their homes for the weekend and in that event ferry charges shall be paid for such weekend travel as substantiated by receipts.

(3) When circumstances make it necessary that a toll-bridge be utilized, the employees will be reimbursed accordingly when substantiated by receipts.

(4) In areas where it is not feasible or practical for the crews to drive to and from the jobsite daily, reasonable expense for cost of board and lodging will be reimbursed as substantiated by receipts showing the expenditures.

SECTION 2. On short time jobs where rentals extend beyond the thirty (30) calendar days, these special conditions shall become null and void on the thirty-first day, and for all days worked thereafter the conditions shall apply as under the current Operating Engineers Master Labor Agreement.

SECTION 3. On long time duration rental jobs of over thirty (30) calendar days, the conditions of the current Operating Engineers Master Agreement shall apply except for the first day "in" and the termination day "out" of the job when Section 1(b) above shall apply.

SECTION 4. Where employees are employed to work on a particular operation of a project or on the project as a whole, performing work requiring mutual assistance with a crew or crews of one or more crafts, any one crew of whom receives more favorable travel and board and lodging payments, then those employees affected shall also receive the more favorable conditions of employment. The word "crew" shall be defined to mean one or more members of another craft.

SECTION 5. When employees are required to pilot and/or haul equipment and/or haul materials in support of equipment, the vehicles necessary to perform the work will be provided by the employer.

LETTER OF UNDERSTANDING
FOR
PRIVATE SECTOR WORK

THIS Letter of Understanding, effective the first day of June 1, 2007 by and between the Operating Engineers Local 302 hereinafter referred to as the "Union" and the Employers signatory to Master Labor Agreement, hereafter referred to as the "Employer."

1. Competitive Conditions: The parties listed below agree that this Letter of Understanding for Private Sector Work is provided for the purpose of giving the signatory contractor the opportunity to be competitive in negotiating and bidding in the private sector limited to the scope listed in paragraph 3 below.
2. Adoption of Master Labor Agreement: The parties agree to be bound by, to adopt and incorporate all of the terms and conditions of the Master Labor Agreement, except as provided in this Memorandum of Understanding.
3. Coverage: This Letter of Understanding shall cover all privately funded project as follows:

Commercial Projects: Total Projects with a construction cost of \$10 million or less and the value of the Employer portion is \$3 million or less.

Residential Projects: Projects of any value

4. Fringe Benefits: Fringe Benefits shall be 100% of those listed in the Master Labor Agreement during the terms of this Agreement, except as stated in Paragraph 5, Wage Rates.
5. Wage Rates: The wage rates covered by this Letter of Understanding shall be equal to ninety percent (90%) of the wage rates established in the Western Washington area and will apply to privately funded projects bid after June 1, 2007. Wages & Fringes on projects bid prior to June 1, 2007, shall be paid in accordance with the terms and conditions of the agreement in effect at the time of bid.
6. It is expressly agreed by the parties hereto that this Letter of Understanding is not intended to circumvent the wage rates set forth in the Master Labor Agreement through artificial staging or phasing of projects for the sole purpose of applying the limits stated herein.
7. Work in plants, yards and shops, and worked covered by the crane rental addendum and floating cranes shall be excluded from coverage under this Letter of Understanding.
8. Notification: The Employer shall notify the affected Local Union when work is to be performed under this Letter of Understanding prior to starting work. Failure to notify the Union will result in the payment of 100% wage rate until the Union is properly notified in writing.
9. Joint Labor Management Committee: There shall be established a Joint Labor-Management Committee to adopt procedures for implementation of this Private Works Letter of Understanding. The Committee shall consist of:
 - A. Two (2) members of the Union negotiating committee;
 - B. Two (2) members of the Employer negotiating committee.Meetings will be on a call basis. The Committee shall be empowered to:
 - A. Resolve disputes concerning compliance with this Letter of Understanding;
 - C. Monitor the nonunion activity to determine the effectiveness of this Letter of Understanding in retaining private work.

K# 8606

Operating Engineers Locals 612

Wage & Fringe Summary
2007-2010

Wages			
Group	June 1, 2007	June 1, 2008	June 1, 2009
IAAA	\$34.34	\$35.64	\$36.92
IAA	\$33.78	\$35.08	\$36.36
IA	\$33.21	\$34.51	\$35.79
I	\$32.66	\$33.96	\$35.24
II	\$32.17	\$33.47	\$34.75
III	\$31.75	\$33.05	\$34.33
IV	\$29.39	\$30.69	\$31.97

Deductions from Wages			
Group	June 1, 2007	June 1, 2008	June 1, 2009
Dues Check-off	2% GW	2% GW	2% GW
Union Programs	\$0.20	\$0.25	\$0.30
Political Programs(Voluntary)	\$0.05	\$0.05	\$0.05
GW=Gross Wages			

Fringe Benefits			
Group	June 1, 2007	June 1, 2008	June 1, 2009
Health & Security	\$6.75	\$7.15	\$7.55
Pension	\$5.40	\$6.15	\$6.90
Apprenticeship/Training	\$0.60	\$0.65	\$0.70
Total Fringe Benefit	\$12.75	\$13.95	\$15.15

June 1, 2007

2007 – 2010 AGREEMENT

Between

ASSOCIATED GENERAL CONTRACTORS OF WASHINGTON

and

OPERATING ENGINEERS LOCAL 612

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2007 – 2010 AGREEMENT

between

ASSOCIATED GENERAL CONTRACTORS OF WASHINGTON

and

OPERATING ENGINEERS LOCAL 612

PREAMBLE

This Agreement is a successive principal Agreement of the 2003 - 2007 Agreement, and all other prior Agreements thereto by and between the Associated General Contractors of Washington a chapter of the Associated General Contractors of America, Inc. and Local 612 International Union of Operating Engineers.

For purposes of this Agreement, the AGC of Washington is not acting as a multi-employer bargaining agent in a single multi-employer unit, but is acting for and on behalf of Employers who have individually requested the AGC of Washington to act as their individual and separate bargaining agent in individual Employer units. Further, each individual principal member reserves the right to review and accept or reject any proposed Agreement negotiated between the Union and the AGC of Washington acting as an agent for the individual contractor members.

This is a collective bargaining Agreement between certain individual members of the Associated General Contractors of Washington, a Chapter of the Associated General Contractors of America, Inc. (hereinafter referred to as the "Employer"), and Local 612 International Union of Operating Engineers, (hereinafter referred to as the "Union"), and shall constitute an Agreement between the parties hereto for the work, conditions and wage rates provided for herein in the territory outlined in Article 3.

ARTICLE 1

PURPOSES OF AGREEMENT

SECTION 1. The purposes of this Agreement is to promote the settlement of labor disagreements by conference, to prevent strikes and lockouts and to stabilize wages and working conditions in building, heavy highway construction and engineering work in the area affected.

SECTION 2. Bylaws of either party are not part of this Agreement. It is agreed and understood between the parties hereto that this Agreement contains all the covenants, stipulations and provisions agreed upon by the parties hereto. No agent or representative of either party has authority to make any promise, inducement or agreement contrary to the provisions herein.

SECTION 3. The AGC of Washington acting on behalf of those individual member firms, having received a demand for recognition by the Union and having been presented with and accepting proof that the Union represents a majority of its employees) acknowledges and affirms that the Union is the sole and exclusive bargaining representative of its employees covered by the Principal Agreements under Section 9(a) of the National Labor Relations Act.

SECTION 4. The Union recognizes the AGC of Washington as the exclusive individual bargaining agent for each Employer who has authorized the AGC of Washington to negotiate individually with the Union on its behalf.

ARTICLE 2

WORK AFFECTED

SECTION 1. This Agreement shall cover all Highway, Building, Heavy Construction and Engineering projects including the loading and unloading of barges or other carriers of the Employer's materials and equipment at loading facilities for the contractor's work performed by Employer parties to this Agreement in the counties outlined in Article 3, Section 1.

SECTION 2. For clarification, Heavy, Highway and Engineering projects are defined as follows: Construction of railroads, street railways, roads, highways, streets, alleys, sidewalks, curbs and gutters, paving (portland cement or asphaltic concrete), airports, bridges, overpasses, sewers, water mains, sanitation projects, irrigation projects, flood control projects, reclamation projects, reservoirs, dams, dikes, levees, revetments, channels, aqueducts, channel cutoffs, jetties, breakwaters, harbor developments, docks, dry docks, piers, abutments, retaining walls, transmission lines, duct lines, subways, shafts, tunnels, excavation of earth and rock, power generating projects, reinforced earthwork, and all other heavy construction and engineering operations in connection therewith, and all site clearing, demolition work, hazmat, pipeline and refinery work when covered by this Agreement.

SECTION 3. For further clarification, the term "Building" shall mean a building structure, including modifications thereof, or additions or repairs thereto, intended for use for shelter, protection, and comfort.

ARTICLE 3 **TERRITORY OF AGREEMENT**

The Agreement shall cover all work (as outlined in Article 2) performed by Employers, party to this Agreement in the following counties: Pierce, Thurston, Lewis, and that portion of Pacific County which lies north of a parallel line extending west from the northern boundary of Wahkaikum County to the sea, in the State of Washington.

ARTICLE 4 **EFFECTIVE DATE AND DURATION**

SECTION 1. This Agreement shall be effective commencing, June 1, 2007, and shall continue in force and effect through May 31, 2010. Upon its expiration, this Agreement shall continue from year to year, June 1 through May 31 of each year, by automatic renewal unless changed or terminated. For the purpose of negotiating alterations in wages and other terms and conditions of employment, the Employer, or Local 612 may open this Agreement or any contract effectuated through automatic renewal by giving written "Notice of Opening" not later than sixty (60) nor more than ninety (90) days prior to the expiration date. "Notice of Opening" is in no way intended by the parties as a termination of nor shall it in anyway be construed as a termination of this Agreement or any annual contract effectuated through automatic renewal nor as forestalling automatic renewal as herein provided. The parties reserve the right to economic recourse in negotiations, except during the interval between the giving of "Notice of Opening" and the expiration date.

SECTION 2. Except by mutual written agreement, termination of this Agreement or any annual contract effectuated through automatic renewal, must to the exclusion of all other methods, be perfected by giving written "Notice of Termination" not later than sixty (60) not more than ninety (90) days prior to the expiration date, whereupon the contract shall, on its expiration date, terminate. Effective termination eliminates automatic renewal.

SECTION 3. Any "Notice of Opening" or "Notice of Termination" given in hand within sixty (60) days of any expiration date shall be absolutely null and void and completely ineffective for all purposes.

ARTICLE 5 **UNION RECOGNITION AND HIRING PROCEDURES**

SECTION 1. Hiring practices and maintenance of Union membership shall be under the Appendix "3" attached hereto and hereby made a part of this Agreement.

SECTION 2. There will be no discrimination against any employee because of past or present union activities or because of race, creed, sex, age or color.

SECTION 3. Wherever words denoting a specific gender are used in this Agreement, they are intended and shall be construed so as to apply equally to either gender.

ARTICLE 6 SUBCONTRACTORS

SECTION 1. If an Employer bound by this Agreement contracts or subcontracts any work covered by this Agreement to be done at the job site for the construction, alteration or repair of a building structure or other work to any person or proprietor who is not signatory to this Agreement, the Employer shall require such subcontractor to be bound to all the provisions of this Agreement for the duration of his project only, or such employer shall maintain daily records of the subcontractors' employees' job site hours and be liable for payment of the difference of these employees' wages, Health & Security, Pension and Apprenticeship-Retraining contributions in accordance with this Agreement.

SECTION 2. Whenever the Employer is obligated to satisfy governmental subcontracting requirements, the Union and the Employer by mutual agreement may waive this provision, prior to commencement of the work in the event an Employer and Union are unable to find qualified competitive Union subcontractors to meet these requirements.

ARTICLE 7 HOLIDAYS

Holidays recognized by this Agreement shall be New Year's Day, Memorial Day (last Monday in May), Fourth of July, Labor Day, Thanksgiving Day, Friday and Saturday after Thanksgiving Day, and Christmas Day. Any holiday which falls on a Sunday shall be observed as a holiday on the following Monday. A holiday shall be a twenty-four (24) hour period, beginning with the regular starting time of the first shift on the date of the holiday and all single shift hours that fall on a holiday shall be paid at the holiday rate of pay. No work shall be performed on Labor Day except to protect life and property or by written mutual agreement of the Union and the Employer. If any of the listed holidays falls on a Saturday, the preceding Friday shall be a regular workday.

ARTICLE 8 MEAL AND REST PERIODS

SECTION 1. MEAL PERIODS

- A. Employees shall not be required to work more than five (5) hours from the start of the shift without at least a one-half (½) hour unpaid meal period. This meal period shall not begin earlier than three and one-half (3½) hours after the start of the shift.
- B. Late Meal: If employees are required to work past five (5) hours, they must be allowed a one-half (½) hour meal period which shall be paid at the applicable overtime rate and considered as time worked. The one-half hour meal period shall not be scheduled at the end of the shift.
- C. Missed Meal: If not allowed a one-half (½) hour meal period, an additional one-half (1/2) hour for a total of one (1) hour at the applicable overtime rate shall be added to the hours worked.
- D. Meal Beyond Shift: Employees required to work more than two (2) hours after the end of the regular shift shall be allowed at least one-half (½) hour meal period which shall be considered as time worked, and if it is impractical for the employees to leave the job, they shall be provided a meal by the Employer.
- E. Missed Meal Beyond Shift: If not allowed a one-half (½) hour meal period, an additional one-half (1/2) hour for a total of one (1) hour at the applicable overtime rate shall be added to the hours worked.
- F. Meal - Ten Hour Shift: In the event that the Employer establishes a ten (10) hour shift, the above meal periods shall be at mid-shift. Employees' meal period may be staggered during the period of three and one-half (3½) to five (5) hours from the start of the shift to cover necessary work of a continuous nature.

SECTION 2. REST PERIODS

- A. The nature of the construction work covered by this agreement allows intermittent rest periods. Employers shall provide such intermittent rest periods as work flow permits, not to exceed to 10 minutes for each 4 hours worked. Scheduled rest periods are not required, nor allowed.
- B. Such intermittent rest periods shall be taken on the work site, at the employees place of work.
- C. It will be the responsibility of each employee to take such intermittent rest periods. If an employee does not take a rest period, then the employee must notify his supervisor and a rest period will be provided.

ARTICLE 9 PAY DAY

SECTION 1. Employees shall be paid in full once each week (on the same day), but in no event shall more than five (5) days' (Saturday, Sunday and holidays excluded) wages be withheld.

If the regular payday falls on a Holiday, the employees shall be paid on the last regular work day before the holiday.

The Employer will have the following options of making payment: negotiable check made on local bank, paid prior to quitting time at job site, direct deposit in employees' bank account at election of employee, or by mail.

The Employer shall furnish to each employee at the time of payment of wages, an itemized statement showing the pay basis (i.e., hours or days worked), rate or rates of pay, gross wages, and all deductions for that pay period. In addition, the name, address and phone number of the Employer shall be indicated.

No adjustment of disputed pay will be made unless the employee or the Union shall make a claim in writing to the Employer's representative within fifteen (15) days from the pay period in question, or from the date of any pay adjustment.

SECTION 2. Employees who quit, shall be paid not later than the next regular pay period.

SECTION 3. When employees are laid off or discharged, they shall be paid in full immediately. Employees laid off or discharged, who are paid by direct deposit in their bank account, shall be paid not later than the next regular business day. In the event that the employee is not paid immediately, he shall receive two (2) hours' pay at the appropriate hourly wage rate for each twenty-four (24) hour period for the first forty eight (48) hours. Thereafter the employee will be paid four (4) hours pay at the appropriate hourly wage rate for each twenty-four hour period until said check is mailed to an address of the employee's choice. The postmark on the envelope will serve as the cutoff for any penalty.

SECTION 4. If the payment is not made expressly as provided in this article, then the employee shall be paid two (2) hours pay at the appropriate hourly wage rate for each twenty-four (24) hour period for the first 48 hours (Saturday Sunday and holidays excepted). Thereafter, the employee will be paid four (4) hours pay at the appropriate hourly wage rate for each 24 hour period until payment is made. In the case of payment by mail, the postmark on the envelope will serve as the cutoff for any penalty.

ARTICLE 10 UNION REPRESENTATIVE

SECTION 1. The Union representatives shall have access to all places where employees covered by this agreement are employed provided they do not unduly interfere with the work of employees, and that they fully comply with the safety and security procedures established for the projects. On projects with restricted access, the Employer will cooperate with the Union officials in this regard as far as regulations permit.

SECTION 2. One or more working Stewards from among the members working on the job may be appointed by the Union to represent the members on the job. The Employer shall be informed in writing of the names of the appointed Stewards. Only such Stewards shall be accorded recognition by the Employer. The designated Union Representative shall be consulted by the Employer prior to a job Steward's termination or layoff. The job Steward shall normally discuss issues arising under this Agreement with the job supervisor and transmit to the Union Representative all disputes emanating from the job. The job Steward(s) shall be among the last working members terminated provided they are qualified for the remaining work available on the job.

Although there shall be no non-working Stewards, it is recognized that the Steward has an important function in maintaining harmony and cooperation on the job.

ARTICLE 11 SETTLEMENT OF DISPUTES/GRIEVANCES

SECTION 1. In cases of violation, misunderstandings or differences in interpretation of this Agreement, there shall be no cessation or stoppage of work. Both parties pledge their immediate cooperation to eliminate the above mentioned possibilities, and the procedure in Section 2 is outlined for this purpose.

SECTION 2. In the event that a dispute arising on the job the following procedure will be followed to address the dispute:

Step One: In the event that a dispute arising on the job cannot be satisfactorily adjusted on the job between the representative of the Union involved and the Employer, the dispute shall promptly (not later than fifteen (15) working days), be referred to the authorized representative of the Union and the Employer or their authorized representative. Should they fail to effect a settlement, the matter shall proceed to Step Two. By mutual agreement Step Two may be waived.

Step Two: The dispute shall be referred to a Board of Conciliation within fifteen (15) working days. This Board shall consist of two (2) persons who have no direct involvement in the dispute, appointed by each party. If these four (4) persons cannot effect a settlement within seven (7) days after the dispute has been referred to them the matter shall proceed to Step Three.

Step Three: By mutual agreement, the issue may be referred to mediation. The parties shall request a mediator from the Federal Mediation & Conciliation Service or other mutually acceptable services. This person shall serve as the mediator to resolve the dispute. The expense of employing the mediator shall be borne equally by both parties and each party shall be responsible for their own attorney fees and costs. Should mediation be waived or the parties fail to reach agreement, the matter shall proceed to Step Four.

Step Four: The parties shall request a list of seven arbitrators from the Federal Mediation & Conciliation Service or other acceptable services and shall alternately strike names until only one name remains. This person shall serve as the arbitrator to resolve the dispute. The expense of employing the arbitrator shall be borne equally by both parties and each party shall be responsible for their own attorney fees and costs.

Any decision of the Board shall be within the scope and terms of this Agreement. It may also provide retroactivity not exceeding sixty (60) days from the date the grievance was filed and shall state the effective date. Decision by this Board shall be rendered within twenty (20) days, or at their discretion, after the dispute is referred to them, and such decision shall be final and binding upon all parties. By mutual agreement, the aforementioned time frames in this Article may be waived or extended.

ARTICLE 12

SETTLEMENT OF JURISDICTIONAL DISPUTES

SECTION 1. There will be no strikes, no work stoppages or slowdowns or other interference with the work because of jurisdictional disputes.

SECTION 2. The Employer shall be responsible for all jurisdictional assignments. In issuing such assignments, the Employer shall be guided by decisions of record and/or jurisdictional agreements of record. Craft jurisdiction is neither determined nor awarded by classifications appearing in any labor agreement. All jurisdictional disputes shall, subject to Section 3 of this Article, be adjudicated in accordance with the current Plan for the Settlement of Jurisdictional Disputes.

SECTION 3. Where a jurisdictional dispute involves any Union or Employer not a party to the procedures established by the Impartial Jurisdictional Disputes Board and is not resolved between the Unions, it shall be referred for resolution to the International Unions, with which the disputing Unions are affiliated. The resolution of the disputes shall be reduced to writing signed by representatives of the International Unions, and the Employer will abide by the resolution. The disputed work shall continue as assigned by the Employer until the dispute has been resolved. The provisions of Section 1 apply to disputes covered by this paragraph.

ARTICLE 13

STRIKES AND PICKET LINES

SECTION 1. It is mutually agreed that there shall be no strikes, lockouts or other slow down or cessation of work by either party on account of any labor difference pending the utilization of the grievance machinery, as set forth in Article 11.

SECTION 2. Employees shall not be discharged, disciplined or permanently replaced for any protected activity related to the recognition of a primary picket line as recognized in section 7 of the NLRA.

SECTION 3. As required by law, employees shall be furnished to the Employer during labor disputes with other construction crafts and the Employer will endeavor to work as long as economically possible during these periods.

ARTICLE 14

SAFETY MEASURES

SECTION 1. The Employer and the employee will conform to all Federal and State health and safety regulations applicable to work covered by this Agreement and shall have adequate shelters available where necessary, with heat, where the workers can change and dry their clothes and store their tools. On all projects covered by this Agreement, there shall be provided by the Employer at all times during construction, sanitary facilities consisting of a reasonable number of toilets and urinals. Fresh drinking water will be available to the workers. Employer will furnish welding equipment, including all leathers, hard hats, eye protection, ear protection, respirators, safety belts and lanyards, and reflective vests.

SECTION 2. This Agreement is not intended to and shall not be construed as creating, imposing, or adopting on the Union or representatives any state common-law duties in the areas of safety.

ARTICLE 15
SAVINGS CLAUSE

SECTION 1. This Agreement is not intended to and shall not be construed to permit acts which violate any valid Federal or State law.

SECTION 2. If any provision of this Agreement or the application of such provision shall in any court or other Governmental action, be held invalid, the remaining provisions and their application shall not be affected thereby. Provided, however, upon such invalidation the parties signatory hereto agree to immediately meet to re-negotiate such provisions affected. The parties agree to arrive at a mutually satisfactory replacement within sixty (60) days unless a definite extension of time is mutually agreed to. In the event that the parties are unable to negotiate a replacement, the matter shall be resolved through the provisions of Article 11.

ARTICLE 16
HOURS OF WORK

SECTION 1. SINGLE SHIFT OPERATION

(a) Eight (8) hours shall constitute a day's work, five (5) days shall constitute a week's work, Monday through Friday.

(b) A single shift operation shall be restricted to the hours between 6:00 am and 6:00 pm and eight (8) hours of continuous employment (except for meal period) shall constitute a day's work Monday through Friday of each week

(c) Four ten (10) hour shifts at the straight time rate may be established Monday through Thursday. In the event the job is down due to weather conditions, then Friday may, at the option of the Employer, be worked as a make-up day. All hours worked in excess of ten (10) hours a day or forty (40) hours a week must be compensated at the overtime rate.

(d) No employee shall be discharged, laid off, or disciplined, replaced or transferred for refusing to work a make-up day.

(e) In the event of a civil emergency such as, but not limited to, earthquakes, floods, or fires, starting time of the shift may be made to fit the emergency and eight (8) hours in any twenty-four (24) hour period may be worked at straight time. In order to work such shift, mutual agreement shall be received.

(f) Special Shifts - When due to conditions beyond the control of the Employer or when an owner (not acting as the contractor), a government agency or the contract specifications requires that work can only be performed outside the regular day shift, then a special shift may be worked at the straight time rate. The starting time of work will be arranged to fit such conditions of work. Such shift shall consist of eight (8) hours work for eight (8) hours pay or ten (10) hours work for ten (10) hours pay for four ten shifts. In the event the special shift is less than forty (40) hours in duration the Employee will receive an additional \$1.00 per hour special shift premium. This premium pay does not apply to work outside the normal shift that is paid in accordance with Article 17, Overtime.

(g) Holiday Week: In the event that a holiday is celebrated during the week (Monday through Friday), the remaining four days of the week may be worked as a four ten shift at the straight time rate.

SECTION 2. MULTIPLE SHIFT OPERATION

Shifts may be established when considered necessary by the Employer. The Employer shall notify the Union of either a two (2) or three (3) shift operation. Shift hours and rates will be as follows:

(a) Two Shift Operation On a two consecutive shift operation, no shift penalty is involved for work performed on either of these two shifts. Each shift must be scheduled for at least eight (8) hours except as provided for in Section 1 of this Article. On a two shift operation, the second shift shall be established for a minimum of three (3) days.

Once the starting times are established for the two shift operation, they shall not be changed except upon three (3) working days written notice to the Union.

(b) Three Shift Operation On a three shift operation, the following shall apply:

First Shift - The regular hours of work on the first shift of three shift operations shall be eight (8) hours of continuous employment, except for meal period at mid-shift, between the hours of 6:00 am and 6:00 pm.

Second Shift - The second shift shall consist seven and one-half (7½) hours of continuous employment, except for meal period at mid-shift, and shall be paid for at eight (8) hours the straight time hourly wage rate.

Third Shift - The third shift shall consist of seven (7) consecutive hours of employment, except for meal period at mid-shift, and shall be paid for at eight (8) hours the straight time hourly wage rate.

(c) Multiple shift (a two or three shift) operation will not be construed on the entire project if at any time it is deemed advisable and necessary for the Employer to multiple shift a specific operation. Those groups of employees only who relieve first shift groups of employees and such first shift groups of employees who are relieved by groups of employees on a second shift, and on a three shift operation those groups of employees who relieve the groups of employees on a second shift, shall be construed as working multiple shifts. The intent of this clause shall be construed so as to recognize that a "reliever group" and a "relief group" does not necessarily mean "person for person" relief.

(d) It is understood and agreed that when the first shift of a multiple shift (a two or three shift) operation is started at the basic straight time rate or at a specific overtime rate, all shifts of that day's operation shall be completed at that rate.

SECTION 3. TIDE WORK

When an employee has completed his/her scheduled shift and is called out to perform special work, including tide work, he/she shall receive premium pay in accordance with the following rates:

- (a) For show up, four (4) hours pay at regular straight time rate is due.
- (b) When put to work, a minimum of four (4) hours pay is due at the applicable overtime rate.

ARTICLE 17 OVERTIME

SECTION 1. Work performed in excess of eight (8) hours of straight time per day, or ten (10) hours of straight time per day when four ten (10) hour shifts are established, or forty (40) hours of straight time per week, Monday through Friday, or outside the normal shift, and all work on Saturdays, shall be paid at time and one-half the straight time rate. Hours worked over twelve hours (12) in a single shift and all work performed after 6:00 pm Saturday to 6:00 am Monday and Holidays shall be paid at double the straight time rate of pay. The Employer shall have the sole discretion to assign overtime work to employees. Primary consideration for overtime work shall be given to employees regularly assigned to the work to be performed on overtime situations.

SECTION 2. After an employee has worked eight (8) hours at an applicable overtime rate, all additional hours shall be at the applicable overtime rate until such time as the employee has had a break of eight (8) hours or more.

ARTICLE 18
REPORTING AND MINIMUM HOURS PAY

SECTION 1. Reporting pay: Employees reporting for work and not put to work shall receive two (2) hours pay at the regular straight time rate, unless notified not to report at the end of the previous shift or two (2) hours prior to the start of a shift. Employer may require employees to remain at the jobsite for the two (2) hours to receive such reporting pay.

It is understood that it shall be the responsibility of the Employer to secure from each employee a telephone number by which he can be contacted. The employer will make every effort to notify employees of any shift cancellation. If the employee does not, at the Employer's request, furnish a telephone number or fails to inform the Employer of any change of number at which they may be reached, then the Employer shall be relieved of any responsibility of notification and shall not have to pay show-up time.

When employees, including new hires, reporting for work arrive on the job unprepared to perform the work required (for example, under the influence of alcohol or drugs, or inadequately clothed), the Employer shall not be expected to put such individuals to work nor shall they be entitled to reporting pay if not put to work.

Reporting pay on overtime days shall be a minimum of two (2) hours at the applicable overtime wage rate.

SECTION 2. Minimum Hours: When the shift is started, half shift shall be allowed; if second half is started, then a whole shift shall be allowed; and if the second half of the shift only is started, one-half (½) shift shall be allowed, unless an employee leaves of their own volition or is discharged for cause, in which event they shall be paid for actual time worked.

SECTION 3. If any employee refuses to start work or if any employee stops work on his own volition, the minimum set forth in Section 2 above shall not apply.

SECTION 4. Employees called to work and who are put to work on Saturdays, Sundays or holidays shall be compensated at the applicable overtime rate and as outlined in SECTION 2.

SECTION 5. When a shift is suspended due to inclement weather, after the two (2) hour minimum, employees shall be paid for actual time worked.

SECTION 6. When an employee is "called out" to work without at least eight (8) hours time off since their previous shift, all such "call out" time shall be paid at the overtime rate until he shall have the eight (8) hours rest period.

ARTICLE 19
MANAGEMENT RIGHTS CLAUSE

SECTION 1. The Employer retains full and exclusive authority for the management of its operation subject to the provisions of this Agreement. The Employer shall direct his working forces at his sole prerogative including, but not limited to hiring, promotion, transfer, layoff or discharge for just cause as traditionally practiced within the Construction Industry. The Employer shall utilize the most efficient methods or techniques of construction, tools or labor saving devices. There shall be no limitations upon the choice of materials or design except those imposed by safety and health considerations.

SECTION 2. The foregoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth.

SECTION 3. It shall not be a violation of this Agreement when the Employer considers it necessary to shut down to avoid possible loss of human life because of an emergency situation that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the Employer requests the employees to stand by, the employees will be compensated for the "standby time."

If such a condition continues, the Employer agrees to give timely notice to members of the next shift scheduled to report for duty. In the event timely notice is not given, employees who report for work at their regular reporting time and are not put to work shall be paid "show up pay".

This article shall be subject to the grievance procedure set forth in Article 11.

ARTICLE 20

SPECIAL CONDITIONS

SECTION 1. Both parties recognize that there may be extenuating circumstances when it is to the mutual interest of both parties to modify the terms of this Agreement. In that event, it will not be a violation of this Agreement for the parties to meet and mutually agree to make such modifications to meet a specific need on a specific project.

In order to maximize the effect of this provision, all crafts will be requested to act uniformly. Employees of a craft should be treated equally under this provision. The General Contractor shall encourage their subcontractors to comply with any modifications granted under this provision.

ARTICLE 21

PRE-DETERMINED WAGE RATE PROJECTS

SECTION 1. In the event the Employer bids a public job or project being awarded by a Federal, state, county, city or other public entity which is to be performed at a pre-determined and/or prevailing wage rate established pursuant to the provisions of the Davis-Bacon Act (Public Law 74-403 (8/30/35) as amended 3/23/41 and 7/2/64 (40 USC 276A-276A7 as amended)) or established by the Industrial Statistician of Washington pursuant to the provisions of Title 39 RCW (39.12) Prevailing Wages on Public Works, the published hourly wage and fringe* rates set forth in said public work at the time of bid shall apply for the first 24 months of the project from the date the contractor is permitted to proceed with work. And further provided, should said public project continue beyond the expiration of this Agreement, the fringe benefits then applicable shall be the fringe benefits set forth in the successor Master Agreement. Notwithstanding the above, project agreements may be mutually agreed upon to allow use of the pre-determined wage and fringe rate for the duration of a project to exceed 24 months.

The fringe benefit contribution rates shall be those as established and maintained by the Master Agreement and any fringe increases are the responsibility of the Employer.

SECTION 2. The Employer agrees to notify the Union dispatch hall of the said project's date the contractor is permitted to proceed with work.

SECTION 3. In the event the specifications include an escalator provision covering wages, such amount will be included as an increase to wages to the extent that the Employer may recover in the escalator claim.

ARTICLE 22

SUBSTANCE ABUSE POLICY

SECTION 1. Labor and Management are committed to providing employees with a drug-free and alcohol-free workplace. It is the goal to protect the health and safety of employees and to promote a productive workplace, and protect the reputation of Labor and Management and the employees.

SECTION 2. Consistent with those goals, the Employer prohibits the use, manufacture, possession, distribution or sale, at its employment sites, of drugs, drug paraphernalia or alcohol. A testing program, pursuant to the Substance Abuse Program, may be instituted, upon mutual consent of Labor and Management which consent shall not unreasonably be withheld to monitor compliance with this policy.

SECTION 3. If the Employer implements a Substance Abuse Program according to the terms of this Article on a project, all subcontractors will be required to have and implement a substance abuse program.

SECTION 4. An acceptable Substance Abuse Program is contained in a separate addendum to this Collective Bargaining Agreement. It is not a part of this agreement and modifications to this Substance Abuse Program, by mutual agreement of an employer and the union, will not constitute a change to this agreement. Mutual agreement will not be unreasonably withheld.

SECTION 5. Any grievance related to any Employer's substance abuse program shall be resolved through Article 11, Settlement of Disputes/Grievance, of this agreement

ARTICLE 23 **LIGHT DUTY RETURN TO WORK**

It is agreed that the Employer may return an injured member to light duty status when allowed by the member's doctor. When such light duty work is available, light duty functions may not be work of another craft or work under classifications covered by the Master Operating Engineers Agreement and Schedule "A" classifications. At no time will the member's total earnings be less than his/her full time loss compensation under industrial insurance. Further, the member will be provided with a full fringe package, as per the collective bargaining agreement, over and above total remuneration. Should the member on light duty have to be laid off, due to no work available, the employer will not adversely affect his/her ability to continue to receive loss time benefits from the Industrial Insurance Division of Labor and Industries (including self-insured employers), provided they are still medically eligible.

APPENDIX 1

SCHEDULE "A"

CLASSIFICATIONS AND WAGE SCALES

On all work covered by this Agreement, and in all instances in which equipment is operated in the performance of work covered by this Agreement, such work shall be performed and such equipment shall be operated by employees obtained in accordance with this Agreement (Appendix "3" Hiring and Union Recognition) and they and each of them shall be employed in the classifications and at the wage scales following:

NOTE: ONLY ZONE "1" RATES ARE SHOWN FOR ALL CLASSIFICATIONS. REFER TO SCHEDULE "C" FOR ZONE "2" & "3" RATE ADJUSTMENTS.

WAGES			
	Effective Date		
Group	June 1, 2007	June 1, 2008	June 1, 2009
IAAA	\$34.34	\$35.64	\$36.92
IAA	\$33.78	\$35.08	\$36.36
IA	\$33.21	\$34.51	\$35.79
I	\$32.66	\$33.96	\$35.24
II	\$32.17	\$33.47	\$34.75
III	\$31.75	\$33.05	\$34.33
IV	\$29.39	\$30.69	\$31.97

DEDUCTIONS FROM WAGE			
	Effective Date		
	June 1, 2007	June 1, 2008	June 1, 2009
Dues Check-Off	2% GW	2% GW	2% GW
Union Programs	\$0.20	\$0.25	\$0.30
Political Programs (Voluntary)	\$0.05	\$0.05	\$0.05

FRINGE BENEFITS			
	Effective Date		
	June 1, 2007	June 1, 2008	June 1, 2009
Health & Security	\$6.75	\$7.15	\$7.55
Pension	\$5.40	\$6.15	\$6.90
Apprenticeship Training/Retraining	\$0.60	\$0.65	\$0.70

CLASSIFICATIONS

Group IAAA	<ul style="list-style-type: none"> -Cranes: Over 300 tons or 300' of boom (including jib with attachments) -Cranes: Friction Over 200 tons
Group IAA	<ul style="list-style-type: none"> -Cranes: 200 tons to 300 tons, or 250' of boom (including jib with attachments) -Cranes: Friction 100 tons through 199 tons -Tower crane: over 175' in height, base to boom -Shovel, excavator, backhoes: over 90 metric tons
Group IA	<ul style="list-style-type: none"> -Cranes: 100 tons through 199 tons, or 150' of boom (including jib with attachments) -Overhead, bridge type: 100 tons and over -Tower crane: up to 175' in height base to boom -Loader: Overhead 8 yards. & over -Shovel, excavator, backhoes: over 50 metric tons and up to 90 metric tons -Mechanics: all (Leadmen - \$0.50 per hour over mechanic)
Group I	<ul style="list-style-type: none"> -Asphalt Plant Operators -Cableways -Concrete Pump: Truck mount with boom attachment over 42M -Cranes: 45 tons through 99 tons, under 150' of boom (including jib with attachments) -Overhead, bridge type: 45 tons through 99 tons -Derricks: on building work -Hard tail end dump: articulating off- road equipment 45 yards. & over -Loader: Overhead 6 yards. but not including 8 yards -Motor patrol graders: finishing -Mucking machine, mole, tunnel drill, boring, road header and/or shield -Quad 9, HD 41, D10 and over -Remote control operator on rubber tired earth moving equipment -Rollagon -Scrapers, self-propelled: 45 yards and over -Spreader: Topsider & Screedman -Shovel, excavator, backhoe: over 30 metric tons and up to 50 metric tons -Slipform pavers -Transporters: all track or truck type -Welder

Group II	<ul style="list-style-type: none"> - Batch Plant Operator: concrete - Barrier machine (Zipper) - Bump cutter - Cranes: 20 tons through 44 tons with attachments - Overhead, bridge type Crane: 20 tons through 44 tons - Chipper - Concrete pump: truck mount with boom attachment <u>up to 42M</u> - Crusher - Deck engineer/deck winches (power) - Drilling machine - Grade Engineer: <u>using blue prints, cut sheets, etc</u> - Finishing Machine: Bidwell and Gamaco & similar equipment - Guardrail punch - Hard tail end dump: articulating off-road equipment under 45 yards - Horizontal/directional drill operator - Loaders: Overhead under 6 yards - Loaders: Plant feed - Locomotives: all - Material Transfer Device – - Piledriver: (other than crane mount) - Roto-mill, roto-grinder - <u>Shovel, excavator, backhoe, tractor: 15 to 30 metric tons</u> - Subgrader trimmer - Scraper: self propelled under 45 yards - Truck Crane Oiler/Driver: 100 tons and over - Truck mount portable conveyor - Yo Yo pay dozer
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Group III	<ul style="list-style-type: none"> - Cranes: through 19 tons with attachments A-frame over 10 tons - Concrete Pump: <u>Mounted or trailer high pressure line pump, pump high pressure.</u> - Conveyors - Dozers: D-9 & under - Drill Oilers: auger type, truck or crane mount - Forklift: 3000 lbs and over with attachments - Horizontal/directional drill locator - Outside Hoists (elevators and manlifts), Air Tuggers, Strato - Tower Bucket Elevators - Hydralifts/boom trucks: over 10 tons - Loaders: elevating type belt - Motor patrol grader: non-finishing - Plant oiler: asphalt, crusher - Roller: plant mix or multi-lift materials - Saws: concrete - Scrapers: concrete & carry all - Service engineers: equipment - Trenching machines - Truck crane oiler/driver: under 100 tons - <u>Shovel, excavator, backhoe, tractors:</u> <u>under 15 metric tons.</u>
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Group IV	<ul style="list-style-type: none"> - Assistant Engineer - Bobcat - Brooms - Compressor - Concrete Finish Machine: Laser Screed - Cranes:A-frame: 10 tons and under - Elevator and man-lift: permanent and shaft type - Forklifts: under 3000 lbs. with attachments - Gradechecker/Stakeman - Hydralifts/boom trucks:10 tons and Under - Oil distributors, blower distribution & mulch seeding operator - Pavement breaker - Posthole digger: mechanical - Power plant - Pumps: water - Rigger and Bellman - Roller: other than plant mix - Wheel tractors: Farmall type - Shotcrete/gunite equipment - Quick Tower: no cab, under 100 feet in height based to boom - Brokk: Remote demolition equipment
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All equipment will be classified in accordance with their respective manufacturer's rated capacity. The rates of pay for all tandem scrapers and/or scraper trailer will be paid in accordance with the total yardage thereof.

General Foreman /Foreman- **\$2.00** per hour over highest classification under his supervision.

Master Mechanic - \$1.00 per hour over highest classification under his supervision.

Wage scales for operators of equipment operated on heavy construction not listed herein shall be negotiated at the time such equipment is to be operated.

HANDLING OF HAZARDOUS WASTE MATERIALS:

Personnel in all craft classifications subject to working inside a designated hazardous waste perimeter shall be eligible for compensation in accordance with the following group schedule relative to the level of hazardous waste as outlined in the specific Hazardous Waste Project Site Safety Plan. (The level of protection shall be defined in CFR 1910.120., Appendix B.)

HANDLING OF HAZARDOUS WASTE MATERIALS:

Personnel in all craft classifications subject to working inside a designated hazardous waste perimeter shall be eligible for compensation in accordance with the following group schedule relative to the level of hazardous waste as outlined in the specific Hazardous Waste Project Site Safety Plan. (The level of protection shall be defined in CFR 1910.120., Appendix B.) Classification/Hazardous Waste Group Number.

H-1 Base Wage Rate when on a hazardous waste site when not outfitted with protective clothing or Level "D" equipment.

H-1 Class "D" Suit- Base Wage Rate plus **\$0.50** per hour

H-2 Class "C" Suit - Base Wage Rate plus **\$1.00** per hour

H-3 Class "B" Suit - Base Wage Rate plus **\$1.50** per hour

H-4 Class "A" Suit - Base Wage Rate plus **\$2.00** per hour

Apprentice scales shall be set forth in APPENDIX 1, SCHEDULE "B", SECTION (4)c.

SCHEDULE "B"
FRINGE BENEFITS

SECTION 1. HEALTH & SECURITY

It is agreed that all Employers covered by this Agreement shall contribute a sum as listed in Schedule "A", herein for each compensable man hour of Operating Engineers including supervisory employees when covered by this Agreement. Said contributions shall be made on or before the fifteenth (15th) day of the month following the month in which the hours were worked to Locals 302 & 612, International Union of Operating Engineers Construction Industry Health & Security Trust Fund in the manner set forth in the Trust Agreement of the said Trust Fund. The details of the Health & Security Plan established by this trust fund shall continue to be controlled and administered by a joint board of Trustees composed of equal representation from the Unions and the AGC of Washington who are signatory to the trust agreement of the aforesaid trust fund. Each Trustee appointed by the Union shall be a member of the Union party to this Agreement, and each Trustee appointed for the Employers shall be a member of an affiliated firm of the AGC of Washington or a regular paid employee of the AGC of Washington.

It is understood that the Union and Employer associations are principal parties to the Trust Agreements, and therefore, shall be furnished full information on the actions of the Trustees and the operations of the Trusts.

SECTION 2. POST RETIREMENT/HEALTH REIMBURSEMENT ACCOUNT

The creation and implementation of a plan will be determined by the Board Trustees of the Local 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Post Retirement/Health Reimbursement Account, in accordance with the Trust Agreement that creates the Fund. The Employer and the Union agree to be bound by said Trust Agreement and all lawful amendments thereto, and do further agree to accept as their representatives those Employer Trustees and Union Trustees who constitute the Board Trustees of said Trust Fund and their lawful successors.

SECTION 3. PENSION

It is agreed that all employers covered by this Agreement shall contribute a sum as listed in SCHEDULE "A" herein for each compensable man hour of operating engineers including supervisory employees when covered by this Agreement. Said contributions shall be made on or before the fifteenth (15) day of the month following the month in which the hours were worked, to Locals 302 & 612, Operating Engineers-Employers Retirement Fund in the manner as set forth in the trust agreement of the said trust fund. The details of the Retirement Plan established by this trust fund shall continue to be controlled and administered by a joint board of trustees composed of equal representation from the Unions and the AGC of Washington who are the signatory to the trust agreement of the aforesaid trust fund. Each Trustee appointed by the Union shall be a member of the appointing Local and each trustee appointed by the employers shall be a member of an affiliated firm of the AGC of Washington or a regular paid employee of the AGC of Washington.

SECTION 4. EXCESS BENEFIT PLAN

It is agreed that a portion of the negotiated pension contributions to the Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Fund ("Retirement Fund") shall be remitted to a Non-Qualified Excess Benefit Trust ("Excess Benefit Trust") to be utilized as necessary to establish, fund and administer the Excess Benefit Trust and a Non-Qualified Excess Benefit Plan under guidelines established in Internal Revenue Service ("IRS") Private Letter Rulings and under any other IRS private letter ruling the parties may request. The amount remitted to the Excess Benefit Trust shall be the amount necessary to pay benefits and administrative expenses under the Non-Qualified Excess Benefit Plan for the following month, including any retroactive payments authorized by the Excess Benefit Plan, as calculated by the third-party administrator for the Retirement Fund and Excess Benefit Trust. The balance of the contributions not paid to the Excess Benefit Trust shall be

remitted to the Retirement Fund. In no event shall amounts previously contributed to the Retirement Fund be reallocated to the Excess Benefit Trust.

The Excess Benefit Plan will be designed solely to provide pension benefits to Retirement Fund participants, whose benefits are otherwise limited by Internal Revenue Code Section 415.

The Excess Benefit Plan and Trust will be administered by a Board of Trustees, consisting of the same Trustees who administer the Retirement Fund. The Retirement Fund Trustees are granted the authority to establish and maintain the Excess Benefit Plan and Trust, provided that the language of the Excess Benefit Plan will allow for its termination if continuing benefits under that Plan will impair the funding status of the Retirement Fund, or if legislation is adopted modifying Internal Revenue Code Section 415 to such an extent that the Excess Benefit Plan is no longer required.

SECTION 5. APPRENTICESHIP/TRAINING/RETRAINING

(a) The parties to the Agreement agree that the best interest of the construction industry will be served by establishing an apprenticeship/training/retraining program so that new employees may be trained in the operation of equipment covered by this Agreement.

(b) It is agreed that all employers covered by this Agreement shall contribute a sum as listed in SCHEDULE "A" for each compensable man hour of Operating Engineers, including supervisory employees when covered by this Agreement, employed by such employers in work contained in the term of this Agreement. Said contributions shall be made on or before the fifteenth (15) day of the month following the month in which the hours were worked to the Western Washington Employers-Engineers Training Trust in the manner as set forth in the trust agreement of the said trust fund. The details of the Apprenticeship/Training/Retraining program established under this trust fund shall continue to be controlled and administered by a joint board of trustees composed of equal representation from the Unions and the AGC of Washington who are signators to the trust agreement of the aforesaid trust fund. Each trustee appointed by the Union shall be a member of the appointing Local and each trustee appointed by the employers shall be a member of an affiliated firm of the AGC of Washington or a regular paid employee of the AGC of Washington.

(c) APPRENTICE RULES:

1. Apprentices shall be paid the following rates of wages based on a percentage of Group III:

1st	1000 hours	<u>65%</u>
2nd	1000 hours	<u>70%</u>
3rd	1000 hours	<u>75%</u>
4 th	1000 hours	<u>80%</u>
5 th	1000 hours	<u>90%</u>
6 th	1000 hours	<u>95%</u>

2. All working conditions governing the employment of journeymen shall also apply to apprentices.
3. Apprentice Ratios. A well trained workforce is critical to the long-term efficient and economical performance of the work covered by this agreement. The Employer and the Union are mutually committed to using apprentices to have adequate supply of skilled workers for the future. Accordingly, the Employer and the Union agree to a goal to employ apprentices at a rate of 15% of the Operating Engineers covered by this agreement. Additionally, each individual contractor who employs seven (7) or more journeymen operating engineers covered by this Agreement shall employ a minimum of one (1) apprentice. Thereafter, said contractor shall employ one (1) additional apprentice for each twenty (20) journeymen covered by this Agreement.

EXAMPLE:

<u>Journeyman</u>	<u>No. of Apprentices required</u>
0 – 6	None
7 – 19	One (1)
20 – 39	Two (2)
40 – 59	Three (3)
60 – 79	Four (4)
80 – 99	Five (5), etc.

4. If, for any reason, the criteria established in this paragraph cannot be met by either party, a review of the situation will be made via the grievance procedure.

5. A Joint Apprenticeship and Training Committee established by the parties to this Agreement shall have the responsibility for establishing a training and retraining program, and apprenticeship program which shall be within the scope of the National Apprenticeship Standards. This committee shall establish a referral procedure for apprentices in conformance with the training standards. The apprenticeship office shall dispatch all apprentices in accordance with the procedure established by the above committee without regard to other provisions of APPENDIX 3.

6. Apprentices who have completed the Apprenticeship and Training program established under this Agreement shall obtain Group 1 status. Any apprentice having been cancelled for just cause after written and specific notice and full and fair hearing by the Apprenticeship Committee, or who has dropped out of the program of their own accord, shall not be permitted to register for employment nor be dispatched as journey level operator by the local Union for a period of two (2) years after cancellation

SECTION 6. It is understood that the Union and Employer Associations are principal parties to the trust agreements and therefore, shall be furnished full information on the actions of the trustees and the operations of the trusts.

In the event an Employer fails to make the monetary contributions in conformity with this section of the Agreement, the Union is free to take economic action against such Employer it deems necessary, and such action shall not be considered a violation of this Agreement.

SECTION 7. FRINGE OPTION: It is further agreed that if additional sums are necessary to maintain or improve the fringe benefit plans, such sums may be deducted from wages at any anniversary date of the Agreement by mutual agreement, giving sixty (60) days prior notice.

SECTION 8. WORKING-DUES CHECK-OFF ASSIGNMENTS

In accordance with the terms of an individual and voluntary written authorization for check-off of membership dues in form permitted by the provisions of Section 302 (c) of the Labor Management Relations Act, as amended, the Employer agrees to deduct for working dues two percent (2%) of gross wages once each week which has been or will be in the future authorized by the membership of the Union. All monies collected for working dues by the Employer shall be paid to the agent of the Union, namely: IUOE Local 302 & 612 Construction Industry Health & Security and Pension Funds, c/o Welfare and Pension Administration Services, Inc., P.O. Box 34205, Seattle, WA 98124-1205. The working dues which are deducted shall be paid monthly by the fifteenth (15) day of the month following the month in which they were deducted. The working dues shall be remitted to the Local that retains the jurisdiction for the project as specified in Article 3, Territory of Agreement, Section 1 and 2.

SECTION 9. UNION AND POLITICAL PROGRAMS

A. The Employer agrees to deduct from the net pay (after taxes) of each employee performing work covered by the terms of this Agreement a sum as set forth in Appendix, Schedule "A" for each compensable hour worked and remit same to the IUOE Local 302 & 612 Union Programs Fund. Contributions will be made on the same form as the Health and Security payments. . The Union program contribution shall be remitted to the Local that retains the jurisdiction for the project as specified in Article 3, Territory of Agreement, Section 1 and 2.

B. The Employer will deduct five cents (\$0.05) for each hour that the Employee receives wages under the terms of the Agreement, on the basis of individually signed, voluntary authorized deduction forms. It is agreed that these authorized deductions for the IUOE Local 612 Political Programs Fund are not conditions of membership in the International Union of Operating Engineers or of employment with the Employer and that the IUOE Local 612 Political Program Funds will use such monies in making political contribution in connection with Federal, State, and Local elections. Contributions will be made on the same form as the Health & Security payments.

The costs of administering this payroll deduction for IUOE Local 612 Political Program Fund are incorporated into the economic package provided under the terms of this Agreement so that the IUOE Local 612 has, through its negotiation and its execution of this Agreement, reimbursed the Employer for the costs of such administration.

SECTION 10. RECIPROCITY AGREEMENT

A If Local 612 enters into a reciprocity agreement with a sister local outside the jurisdiction of the agreement providing that an Employer covered by this Agreement may bring its key employees with it into Local 612's jurisdiction, said Employer shall be permitted to make contributions to the applicable sister local trust funds on behalf of its key employees. In the event the total contributions under this Agreement are higher than the total applicable -sister Local contribution rate, the difference shall be paid to the employee as a part of his/her wages.

SCHEDULE "C" ZONE PAY DIFFERENTIAL

SECTION 1. The payment for transportation reimbursement shall be governed by the following provisions:

(a) The parties recognize that it is sometimes inconvenient to get to the job locations because of varying distances. It is agreed and understood that while traveling to and from work, the employees are not within the course and scope of their employment and the relationship of Employer-employee does not commence until the hourly wage commences.

SECTION 2. ZONE PAY

Zone pay differential shall be paid on jobs located outside of the free zone computed from the city center of the following listed cities:

Tacoma Olympia Centralia

TRAVEL:

Zone 1:	0 - 25 radius miles	Basic hourly rate
Zone 2:	over 26 - 45 radius miles (including McNeil and Anderson Islands)	Basic hourly rate + <u>\$1.00</u> per hour
Zone 3:	Over 45 radius miles	Basic hourly rate + <u>\$1.30</u> per hour

SECTION 3. SPECIAL TRAVEL CONDITIONS

(a) When the only access roads to a job require employees to travel into a higher travel zone and back to the zone in which the job is located, then the employee shall be paid the travel remuneration provided for the higher zone.

(b) On dam, hydroelectric, building projects and other remote engineering projects such as airports, refineries and radar or radio installations, but not limited thereto, where the Employer provides camp or board and lodging, required traveling time will be paid for the initial trip to the job and return. Payment of travel time on the return trip will be paid to all

employees, including discharges and layoffs; the only exception that shall apply will be as to those employees that remain on the job less than thirty (30) calendar days who voluntarily quit.

(c) On jobs where an Employer establishes a camp with board and lodging, or where the Employer prohibits private vehicles beyond a designated area, which in either case is more than reasonable walking distance from the job site, the Union and the Employer concerned shall be required to enter into immediate negotiations to establish all conditions of travel and/or transportation from the camp or parking areas to the place of work in the job site.

SECTION 4. CAMP PROVISIONS

When the employer provides camp or board and lodging, the basic wage scale will be observed and rate of camp or board and lodging will not exceed \$9.00 per day to be paid by the employee. Any costs over \$9.00 per day will be absorbed by the Employer, on jobs in remote areas where camp or board and lodging is not provided and housing is inadequate, or the cost for housing is prohibitive, the Employer will make every effort to arrange for housing at reasonable rates to his employees.

SECTION 5. TOLL & FERRY FEES

All necessary ferry or other forms of water transportation are to be reimbursed by the Employer in the following manner:

(a) Employees will be reimbursed at the passenger fare or passenger car fare when substantiated by receipts.

(b) When employees elect to live at or near the project and forego daily ferry travel, it is recognized that they are entitled to the prerogative of visiting their homes for the weekend, and in that event ferry charges shall be paid for such weekend travel as substantiated by receipts.

When circumstances make it necessary that a toll bridge be utilized, the employees will be reimbursed accordingly.

APPENDIX 2 CRAFT WORK RULES

SECTION 1. CREWS

A. Crews on power shovels, mucking machines, crawler cranes, floating cranes, truck cranes, whirley cranes, locomotive cranes, Hyster cat cranes, drilling machines, pile driving equipment, and trenching machines shall consist of an operator and additional engineer unless the Union agrees that an additional engineer is not necessary; and when an employee or employees additional to the operator are required by the Employer for operation, servicing, maintenance or repair on any equipment covered by this Agreement, such extra employee or employees shall be engineers or additional engineers. Equipment mentioned above shall not mean small machines on which it has been the past practice to use only one employee. The additional engineer is to be under the direct supervision of the operator at all times. In order to maintain the jurisdiction of the Operating Engineers, the Union may, when it deems necessary, allow the contractor to utilize the additional engineers on an intermittent basis to operate equipment in the immediate area and under the supervision of the operator.

B. Crane Oiler shall be required on Truck Cranes and All Terrain Cranes that are over 55 tons. All Rough Terrain Cranes and Self Propelled Boom type Hydraulic lifting devices and Truck Cranes that can travel on the Washington State Highway system with the boom over the front of the crane carrier without a boom dolly, trailer or any type of conveyance to transport any attachment or part or said Hydraulic Crane may be operated one (1) Operating Engineer. If assistance is needed for assembly or disassembly, it shall be done by an Operating Engineer. No Crane shall be altered or de-rated for purposes of utilizing one (1) Operating Engineer.

In order to maintain the craft of the operating engineer a rigger/bellman will be employed on tower cranes in addition to the operator at the option of the employer.

SECTION 2. BARGAINING AGENT

The Employers recognize and agree that the Union is the exclusive bargaining agent for the operation, maintenance, Employers shop and job site repair of all heavy construction equipment operated by engineers.

SECTION 3. MAINTENANCE WORK

On all work requiring dewatering of caissons, foundations, piers, etc., or maintenance of air pressure in tunnels, caissons, etc., such work will be performed in accordance with the work week and overtime provisions heretofore established in ARTICLE 16, except that time worked on Sundays, when no other activities (other than such maintenance work as herein specified and which is being done by any other crafts) are in progress, will be compensated for at the overtime rate of one and one-half (1-1/2) times the basic rate of wages.

SECTION 4. FOREMAN AND GENERAL FOREMAN

When in the Employer's opinion the spread is sufficient to require the services of a Foreman or General Foreman, such Foreman or General Foreman shall be qualified to supervise such work as may come within the scope of this Agreement, but he shall be a member of the Union. It is understood that a General Foreman shall have a minimum of two (2) foremen under his supervision.

SECTION 5. LEADMAN MECHANIC

When there is no mechanic foreman on a shift and three (3) or more heavy duty mechanics are employed on shift, one (1) shall be designated as a working leadman mechanic and shall receive leadman's pay.

SECTION 6. WELDERS CERTIFICATION

When the Union fills a request for a certified welder, such referred Operating Engineer shall have in his possession a current recognized certificate comparable to the local area or ASME test. If the job to be performed requires additional certification of any kind, the Employer shall pay for all expenses involved in securing such test.

SECTION 7. MASTER MECHANIC

Master mechanics will be employed with the understanding reached in the pre-job conference.

SECTION 8. SPECIAL SAFETY MEASURES

To insure safety and eliminate unnecessary occupational accidents, the Employers agree that:

Whenever practical, equipment shall be properly cabbed and screened.

To eliminate the noise and fumes from exhausts on equipment, the exhaust shall be raised above the cab of the machine. Tandem rubber tired pulls, euclids and similar types shall have exhausts installed on a vertical basis with no side elbows.

The seats and standard manufacturers padding shall be maintained in good repair.

High speed haul roads shall be properly maintained.

Brakes shall be maintained on all rubber tired, self-propelled equipment.

Safety belts shall be required on all rubber tired equipment.

Adequate lights shall be provided for equipment operated at night.

Rear view mirrors will be maintained on all truck cranes.

Boom stops shall be maintained on all cranes.

All cranes shall carry pertinent information or a poster with respect to manufacturers rated capacity relative to boom lengths and load capacity.

All items required for the safe operation of the equipment shall be in working condition.

All signalmen shall use standard signals.

SECTION 9. TEMPORARY UPGRADING

When an employee is temporarily required to perform work on another classification within his craft, the employee shall be paid the higher rate that either classification calls for while required to perform such work.

When work is performed, a minimum of one (1) hour during the first half of the shift, the employee affected shall receive four (4) hours pay at the applicable rate. Whenever work is performed, a minimum of one (1) hour during the second half of the shift, the employee affected shall receive four (4) hours pay at the applicable rate.

SECTION 10. PROTECTIVE CLOTHING

All employees will be furnished rubber boots, coats, pants and hats in suitable condition on wet jobs, and these to be charged to the employees, who are to guarantee their return in like condition, wear and tear excepted.

SECTION 11. TOOLS, TRANSPORTATION OF TOOLS

(a) Heavy duty mechanics shall furnish their own tools, but shall not be required to furnish special tools as follows: Air or electric wrenches, gear and bearing pullers, electric drills, reamers, taps, and dies, Oxyacetylene hoses, gauges, torches and tips, 36" pipe wrenches, socket wrench drives over 3/4", wrenches over 2", coffin hoists and hydraulic jacks.

(b) Mechanics shall not be required by the Employer to furnish their own transportation for tools to perform their work assignments.

(c) The Employer agrees to provide an adequate, dry and safe storage place for the storage of employee's tools which may be necessary in the performance of his work. The Employer agrees that while such tools are in the Employer's custody, and providing that the employee has locked these tools in an adequate tool box, the Employer will carry insurance or assume personal liability, therefore to cover the full, prior agreed value of such tools which may be lost because of fire, flood or theft. Tools broken or damaged in the course of employment will be replaced or reimbursement therefore will be made by the Employer upon the presentation of satisfactory evidence.

(d) When employees are required to pilot and/or haul equipment and/or haul materials in support of equipment for the job, the vehicles necessary to perform the work will be provided by the employer.

SECTION 12. WARRANTY WORK

The only exception with respect to Appendix 2, Section 3 is warranty work, and this work will be permitted and performed in accordance with the following:

(a) Warranty work shall be recognized on new equipment or machinery for a period not to exceed 1,000 meter hours.

(b) Warranty work shall be recognized on used equipment or machinery for a period not to exceed 300 meter hours.

(c) Equipment which is leased, or is on a rental purchase contract, in which ownership resides in the dealer, shall be considered to belong to the contractor for the purpose of this Article.

(d) Warranty mechanics shall supervise and perform actual work on said equipment or machinery assisted by employees covered by this Agreement at a ratio of two warranty mechanics for each contractor mechanic.

SECTION 13. OWNER-OPERATOR

When a piece of equipment is operated by its owner and is used on work covered by this Agreement, the owner-operator of said piece of equipment shall be paid wages and fringe benefits by the Employer subject to the terms and conditions of this Agreement and the check stubs will show equipment rental rate separate from other items. This Article shall not apply when a written subcontract has been entered into with the owner-operator.

SECTION 14. TRAVEL, SUBSISTENCE CRANE RENTAL

The parties hereto recognize that there is a Crane Rental Agreement, supplemental to this Agreement, containing certain conditions as to travel and subsistence and the same is incorporated herein by reference.

SECTION 15. UNION MEMBERSHIP AND DUES

The Union assumes all obligation and responsibility for the collection of union dues, and the Union shall retain the right to discipline its members at all times. No employee shall be discriminated against for upholding Union principals, and any employee who works under the instructions of the Union, or who serves on a committee, shall not lose his position or be discriminated against for this reason. However, the Employer shall be the judge of the employee's qualification.

APPENDIX 3
HIRING AND UNION RECOGNITION

SECTION 1. Employers shall only employ qualified Operating Engineers. Operating Engineers shall be qualified for employment under this Agreement who have had two (2) years actual practical working experience in the Building, Heavy and Highway Construction Industry.

SECTION 2. DEFINITIONS

Accrued Earned or accumulated (i.e. hours worked in the last twelve (12) months)

Bargaining Unit Work Classifications referenced in Appendix 1 Schedule A of the Master Labor Agreement.

Bonafide Factual or real

Employer Association A group of Employer representatives. In this Agreement it is the Associated General Contractors of Washington (AGC)

Freezing To hold group status on the out-of-work list when written verification from a physician is provided.

Illegal Hours Hours worked without a dispatch.

Joint Venture Two or more contractors performing work on a project as one.

Keyman An IUOE member of another Local with special skills employed in the jurisdiction of this Union as approved by the Business Manager. An agreement signed between Trust Funds that allows portability of benefits.

SECTION 3. Employers shall hire qualified Operating Engineers by calling the Union responsible for the geographical area of the project. Whenever the Employer requires Operating Engineers on any job, they shall notify the Local Union office either in writing or by telephone, stating the location, starting time, type of shift (i.e., 4-10's, 5-8's), approximate duration of the job, the type of work to be performed and the number of employees required.

SECTION 4. Employees covered by this Agreement have certain accrued rights to benefits for themselves and their dependents under health and welfare and pension plans which accrue to them by virtue of length of employment with Employers party to this Agreement, and such rights are generally continuous while under employment and remain effective until a certain period of time after lay-off or discharge.

Priority rights mean the right accruing to employees, as hereafter provided in this Agreement, through length of service with Employers party to this Agreement, which will entitle the Operating Engineer to a priority or preference of rehire after termination or layoff. This priority shall in no way be considered as a right for the purpose of tenure of employment.

Those registered on the list in each group will, after ten (10) attempted contacts, be deemed unavailable for work. These individuals will then be notified by mail and will not be contacted for employment until verification of availability is made in person, by fax or by mail. A signature is required. No more than two (2) attempted contacts per day will be counted towards the ten (10) attempted contacts.

Members/registrants shall maintain a working telephone number on file with the hiring hall. Two weeks following written notice of failure to do so, the member's/registrant's name will be removed from the out-of-work list. Their name will be placed on the bottom of the appropriate list when they are re-registered, with a working telephone number.

All classes of Operating Engineers shall be hired and/or rehired in accordance with the length of service with Employers in the Collective Bargaining Unit as follows:

Group 1 - Operating Engineers who have been employed under this Agreement for an accumulative time of at least 500 hours in the last 12 months, in the jurisdiction in which hours were worked immediately preceding their registration date.

Group 2 - Operating Engineers who have been employed under this Agreement or any collective bargaining agreement with this Union for an accumulative time of at least 50-499 hours during the last 12 months, in the jurisdiction in which hours were worked immediately preceding their registration date.

Group 3 - All registrants who pass a minimum standard test in categories established by the 302/612 Training Trust, or who can verify journeyman status in another Local of the IUOE.

Group 4 - All other applicants

The Employer Associations and the Union shall make up and prepare the roster for preference of rehire by grouping all Operating Engineers who come within the above classifications and shall utilize the health and welfare and pension records in establishing these accrued rights based on length of employment.

"Employers" under this paragraph mean, (1) any Employer party to this Agreement, (2) an out-of-town Employer who adopts or works under this Agreement and contributes to the Health & Welfare and/or Pension Plans, and (3) any Employer who employs Operating Engineers under the terms of this Agreement and is a contributing Employer within the meaning of the Health & Welfare and Pension Plans.

SECTION 5. Registration or re-registration of applicants for referral shall be accepted by the Union at any time during its customary office hours. All applicants shall be registered in the order of time and date of registration. To remain on the registration list an applicant for referral must renew their registration not later than ninety (90) days from the date of their last registration or re-registration. There shall be four (4) groupings of the out-of-work list. Each applicant for employment shall be required to furnish such data, records, names of Employers and length of employment and licenses as may be deemed necessary, and each applicant shall complete such forms or registration as shall be submitted to them. Applicants for employment shall also list any special skills they may possess. All applicants may register or re-register in person, by mail, or facsimile; member's signature is required. All applicants who register on Groups two (2) through four (4) must submit a Washington State phone number.

SECTION 6. Upon request of an Employer for Operating Engineers, the Union shall refer qualified and competent registrants in the manner and under the conditions specified in this Agreement from the list in the following order of referral:

1. Applicants shall be referred from Group 1, in successive order as their names appear on the out-of-work list, and when Group 1 has been exhausted,
2. Then applicants from Group 2 in successive order as their names appear on the out-of-work list, and when Group 2 has been exhausted,
3. Then applicants from Group 3 in successive order as their names appear on the out-of-work list, and when Group 3 has been exhausted,
4. Then applicants from Group 4 as their names appear in successive order on the out-of-work list.
 - a) Separate lists will be established and maintained for apprentice engineers, and referrals shall be made on the same basis as that for Operating Engineers except that the experience condition set out in Appendix 3 section 1 of this Agreement shall, as to apprentice engineers, not be applicable or required.
 - b) Any applicant who is returned by the Employer shall be restored to their place on the out-of-work list. If an employee is employed one (1) to twenty-one (21) calendar days, the employee shall be restored to the out-of-work list the same number of days lower on the out-of-work list as they

had been employed. Any employee who is employed more than twenty-one (21) calendars days or terminated of their own accord, shall have their name removed from the out-of-work list. When their employment terminates, they shall be required to register at the bottom of the appropriate group list on which they are entitled to register. A registrant may refuse to be referred to employment two (2) times without prejudicing their position on the appropriate group list on which they are registered. If a member or an applicant accepts a dispatch and does not show up, their name will be entered at the bottom of the appropriate list when they re-register.

- c) In the event that the referral facilities maintained by the Union are unable to fill the requisition of an Employer for employees within a twenty-four (24) hour period after such requisition is made by the Employer (Saturdays, Sundays, and Holidays excepted), the Employer may employ applicants directly at the job site. In such an event, the Employer will notify the Union of the names and dates of such hiring within twenty-four (24) hours of such hiring.
- d) The referral procedure as contained herein shall be followed except,
 - (1) That requests by Employers for personnel to act as Supervisors, Master Mechanics, General Foremen, or Foremen shall be honored without regard to the requested employee's place on the out-of-work list provided that person does not perform bargaining unit work. Those hired under the provisions of this Hiring Agreement shall not be reduced to a lower classification without the approval of the Union, nor shall their employment as traveling key men qualify them for a call-back, except where they were previously employed by the Employer in any capacity under the terms of this Agreement for at least 500 hours during the past twelve (12) months. All traveling keymen must register at the Hiring Hall and have a "Keyman Agreement" in place, prior to being employed.
 - (2) That requests by Employers for a particular employee previously employed by the Employer within the geographical area of this Agreement and who has been laid off or terminated by the Employer within five (5) years previous to the request shall be honored without regard to the requested employee's place on the out-of-work list, provided said employee was originally dispatched to the requesting Employer in accordance with the terms and conditions of this Appendix (illegal hours will not be recognized).
 - (3) For bonafide requests by the Employers for Operating Engineers with special skills and abilities in the order in which their names appear on the out-of-work list.
 - (4) In the best interests of the industry, requests by an Employer for a particular engineer with no priority shall be honored, without regard to the requested person's place on the out-of-work lists, provided the said individual occupies the status of a college student seeking summer employment only and is the son or daughter of management, or individuals, employed as Operating Engineers. Further provided that any dispute arising as a result of such request may be referred to the Joint Hiring Committee in accordance with this Appendix. For each person dispatched as a college student of who is a son or daughter of management, the employer shall endeavor to employ a son or daughter of an Operating Engineer.
 - (5) Requests by Employers for a particular Operating Engineer who is registered on the out-of-work list shall be honored provided that person has obtained Group I status in the applicable jurisdiction.

- c) Where Employers engage in a Joint Venture, employees employed by any of the Joint Venture may be transferred to the job or called for by name if the requirements of (d) 1, 2 and 3 above have been met by any of the Joint Venture.
- f) If an Employer controls, or holds common ownership of separate corporations, the Employer is considered the Employer for the purpose of the transferring employees to and from such corporation payrolls.

SECTION 7. The Union and the Employers agree that the referral of Operating Engineers shall be on the following basis:

- a) Selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall not be based on, or in any way affected by, Union membership, bylaws, rules, regulations, constitutional provisions, or any other aspect of or obligation of Union membership, policies or requirements, or in any way affected by race, color, sex, age or creed. The Union shall dispatch to allow an Employer to comply with State or Federal affirmative action requirements; any other local, State or Federal law; or any reasonable contractual obligation imposed by the owner.
- b) The Employer retains the right to reject any job applicant referred by the Union for cause but shall not discriminate because of membership or non-membership in the Union or because of race, color, sex, age or creed.
- c) The Union and the Employer shall post, in places where notices to all employees and applicants for employment are customarily posted, all provisions relating to the functioning of the hiring provision of this Agreement.
- d) ASAP requests from contractors will be based on the member's geographical proximity to the project location.

SECTION 8.

- a) All employees covered by this Agreement shall be required, as a condition of employment to apply for and become members of, and to maintain membership in the Union within nine (9) days following the beginning of their employment or the effective date of this cause, whichever is later.
- b) The Union recognizes its obligation and therefore assumes full responsibility to every employee discharged under the provisions of paragraph (a) above as a result of a written request from the Union to the Employer provided that the only reason for discharge is as to the timely tendering of normal initiation fees and dues.

SECTION 9. The parties to this Agreement may create a Joint Hiring Committee, composed of three (3) Employer representatives and three (3) Union representatives, to supervise and control the operation of the job referral system herein. The Joint Hiring Committee is empowered:

- a) To establish any and all rules and regulations from time to time that it deems advisable for the operation of the job referral plan, and such rules and regulations shall be as much a part of this Agreement as if contained herein;
- b) To properly post all rules and regulations relating to the functioning of the referral plan, together with provisions of this Agreement as set out in Section 6 above at the Union dispatch office and at the Employer's office;
- c) To hear and determine any and all disputes or grievances arising out of work registrations, work referrals, and the preparation of the referral registration lists. Any applicant or registrant shall have a right of appeal

of any dispute or grievance arising out of and relating to the operation or functioning of the job referral plan to the Joint Hiring Committee.

The Joint Hiring Committee has provided in the rules and regulations of the job referral for an appeal to an impartial umpire whenever the Joint Hiring Committee reaches a deadlock over a dispute. The impartial umpire shall be designated by mutual agreement of the parties. The authority of the impartial umpire shall be limited to interpreting and applying the rules and regulations of the Joint Hiring Committee. All decisions of the Joint Hiring Committee or the impartial umpire shall be final, binding, and conclusive on all parties including applicants.

If questions arise as to the qualifications and competency of an applicant, the Joint Hiring Committee shall make the determination. Such determination shall be fair and impartial, without regard to applicant's membership or non-membership in the Union or race, color, sex, age or creed.

SECTION 10. Either party to this Agreement shall have the right to re-open negotiations pertaining to Union recognition and hiring procedures by giving the other party thirty (30) days written notice when there is reason to believe that the laws pertaining thereto have changed by Congressional amendments, government regulations, or court decision.

SECTION 11. Whenever an employee is discharged without written notice to the Union, the employee shall be considered eligible for rehire.

The Employer shall furnish and complete termination slips for any employee, returning one to the dispatching hall at time of termination & provide a copy to the employee. Each termination slip shall show the actual reason for termination.

SECTION 12. No Applicant for referral to jobs shall be dispatched where: 1) that applicant has been discharged for consuming alcohol on the job or for being intoxicated on the job; or 2) the applicant has tested positive for controlled substance, whether during pre-employment testing or testing following employment. Applicants will be reinstated in the job referral plan when a state certified rehabilitation program has made an evaluation of their condition. Should the evaluation require participation in a rehabilitation program, applicants must be enrolled in an accredited rehabilitation program prior to being reinstated in the job referral plan.

SECTION 13. All Operating Engineers who suffer an injury or serious illness shall have their group status frozen on the out-of-work list by presenting the referral hall with a physician's report stating they are unable to perform work as an Operating Engineer. The "freezing" of an applicant's group status does not apply to Health & Welfare or Pension eligibility.

- a) The applicant must register on the out-of-work list. To remain on the out-of-work list, an applicant must renew their registration not later than ninety (90) days from the date of their last registration or re-registration.
- b) When the applicant provides the referral hall with a physician's "Release for Work" document, the applicant shall be considered ready and available for work effective on the date the work release was received in the referral hall. The applicant's group status on the out-of-work list will then revert to the status as it was on the date it was frozen and all referral hall rules shall apply.

SECTION 14. Members that are called to active duty with the National Guard or a military reserve unit may register on the out-of-work list. During the active duty period it is unnecessary to re-register to maintain an out of work date.

- a) The member must prove active duty status and then they will not be contacted for work during the active duty period.
- b) Upon separation from active duty the member shall notify the hiring hall of change in status within thirty (30) calendar days.

CRANE RENTAL ADDENDUM

In accordance with Appendix 2, Section 17 of the existing Master Labor Agreement, the following conditions shall govern crane rentals:

Employers engaged in crane rentals and who furnish crews therewith shall recognize the following conditions:

SECTION 1. When a crane is rented to any job of less than thirty (30) calendar days duration, the following schedule of conditions will apply:

(a) When the Employer's headquarters are located in one of the cities set forth in (b) below, the center of such city shall be the measuring point from which additional remuneration will be compensated. In the event the Employer's headquarters are located outside of these specific cities, the city center of the specified city nearest the Employer's headquarters shall be designated as the measuring point.

(b) Zone Pay Differential:

(1) When jobs are located outside of the city limits of Tacoma, Olympia, and Centralia and camp or board and lodging are not provided, the following additional remuneration will be paid:

Zone 1	0 - 25 radius miles	Basic hourly wage rate
Zone 2	over 25 - 45 radius miles	Basic hourly wage rate + \$1.00 per hour
Zone 3	over 45 radius miles	Basic hourly wage rate + \$1.30 per hour

(2) When the only access roads to a job require employees to travel into a higher travel zone and back to the zone in which the job is located, then the employees shall be paid the zone pay provided for the higher zone.

(c) Toll and Ferry Fees:

All necessary ferry or other forms of water transportation are to be reimbursed by the Employer in the following instances and manner:

(1) Employees will be reimbursed at the passenger fare or passenger car fare when substantiated by receipts.

(2) When employees elect to live at or near the project and forego daily ferry travel, it is recognized that they are entitled to the prerogative of visiting their homes for the weekend and in that event ferry charges shall be paid for such weekend travel as substantiated by receipts.

(3) When circumstances make it necessary that a toll-bridge be utilized, the employees will be reimbursed accordingly when substantiated by receipts.

(4) In areas where it is not feasible or practical for the crews to drive to and from the jobsite daily, reasonable expense for cost of board and lodging will be reimbursed as substantiated by receipts showing the expenditures.

SECTION 2. On short time jobs where rentals extend beyond the thirty (30) calendar days, these special conditions shall become null and void on the thirty-first day, and for all days worked thereafter the conditions shall apply as under the current AGC Operating Engineers Master Labor Agreement.

SECTION 3. On long time duration rental jobs of over thirty (30) calendar days, the conditions of the current AGC Operating Engineers Master Agreement shall apply except for the first day "in" and the termination day "out" of the job when Section 1(b) above shall apply.

SECTION 4. Where employees are employed to work on a particular operation of a project or on the project as a whole, performing work requiring mutual assistance with a crew or crews of one or more crafts, any one crew of whom receives more favorable travel and board and lodging payments, then those employees affected shall also receive the more favorable conditions of employment. The word "crew" shall be defined to mean one or more members of another craft.

SECTION 5 When employees are required to pilot and/or haul equipment and/or haul materials in support of equipment, the vehicles necessary to perform the work will be provided by the employer.

LETTER OF UNDERSTANDING
FOR
PRIVATE SECTOR WORK

THIS Letter of Understanding, effective the first day of June 1, 2007 by and between the Operating Engineers Local 612, hereinafter referred to as the "Union" and the AGC of Washington on behalf of contractors signatory through them, hereafter referred to as the "Employer."

1. Competitive Conditions: The parties listed below agree that this Letter of Understanding for Private Sector Work is provided for the purpose of giving the signatory contractor the opportunity to be competitive in negotiating and bidding in the private sector limited to the scope listed in paragraph 3 below.
2. Adoption of Master Labor Agreement: The parties agree to be bound by, to adopt and incorporate all of the terms and conditions of the Master Labor Agreement, except as provided in this Memorandum of Understanding.
3. Coverage: This Letter of Understanding shall cover all privately funded project as follows:

Commercial Projects: Total Projects with a construction cost of \$10 million or less and the value of the Employer portion is \$3 million or less.
Residential Projects: Projects of any value
4. Fringe Benefits: Fringe Benefits shall be 100% of those listed in the Master Labor Agreement during the terms of this Agreement, except as stated in Paragraph 5, Wage Rates.
5. Wage Rates: The wage rates covered by this Letter of Understanding shall be equal to ninety percent (90%) of the wage rates established in the Western Washington area and will apply to privately funded projects bid after June 1, 2003. Wages & Fringes on projects bid prior to June 1, 2003, shall be paid in accordance with the terms and conditions of the agreement in effect at the time of bid.
6. It is expressly agreed by the parties hereto that this Letter of Understanding is not intended to circumvent the wage rates set forth in the Master Labor Agreement through artificial staging or phasing of projects for the sole purpose of applying the limits stated herein.
7. Work in plants, yards and shops, and worked covered by the crane rental addendum and floating cranes shall be excluded from coverage under this Letter of Understanding.
8. Notification The Employer shall notify the affected Local Union when work is to be performed under this Letter of Understanding prior to starting work. *Failure to notify the Union* will result in the payment of 100% wage rate until the Union is properly notified in writing.
9. Joint Labor Management Committee. There shall be established a Joint Labor-Management Committee to adopt procedures for implementation of this Private Works Letter of Understanding. The Committee shall consist of:
 - A. Two (2) members of the Union negotiating committee;
 - B. Two (2) members of the Employer negotiating committee.Meetings will be on a call basis. The Committee shall be empowered to:
 - A. Resolve disputes concerning compliance with this Letter of Understanding;
 - C. Monitor the nonunion activity to determine the effectiveness of this Letter of Understanding in retaining private work.